

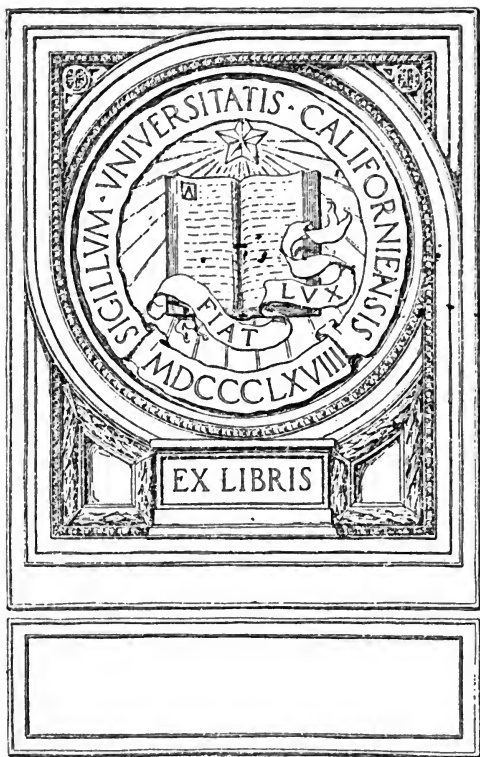
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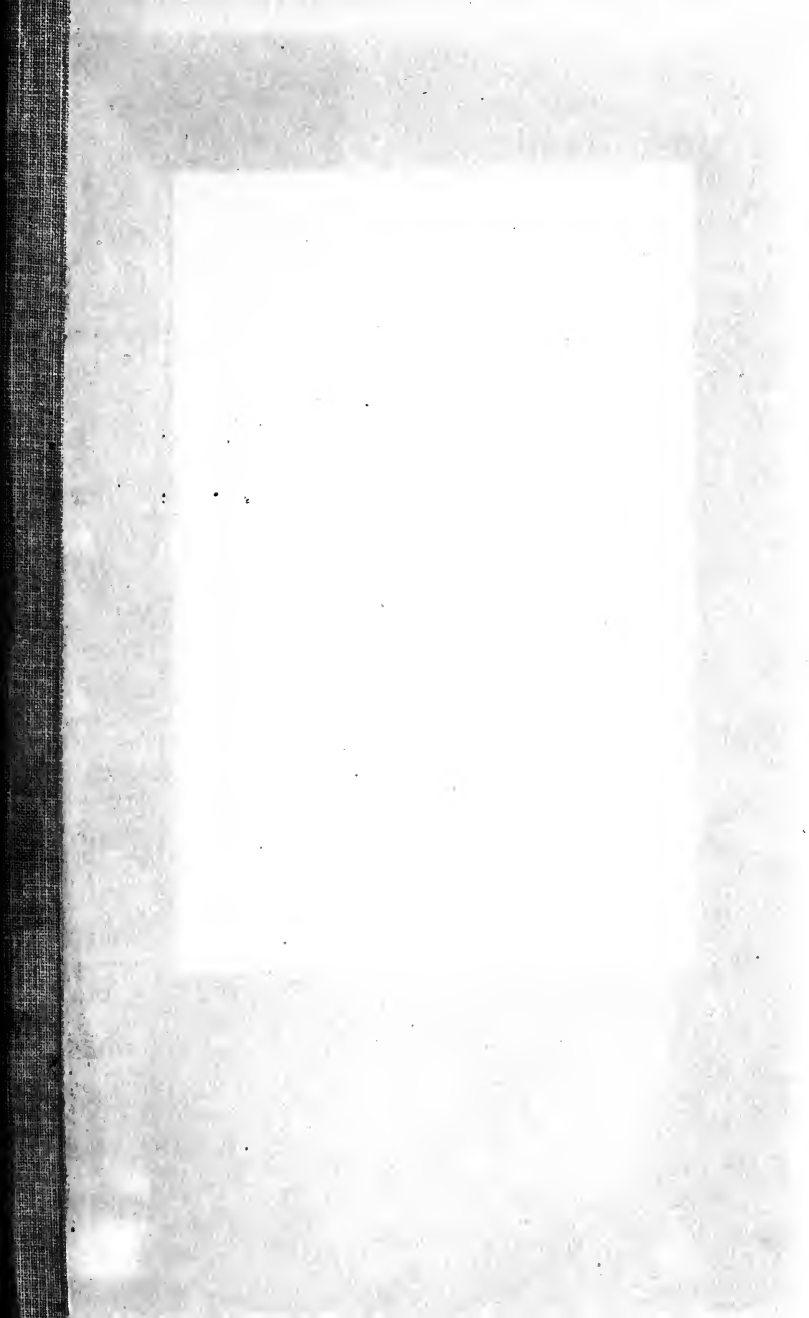


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IS LIBERALISM DEAD?

ELLIOTT DODDS





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IS LIBERALISM DEAD?

THE HISTORY OF THE UNITED STATES



IS LIBERALISM DEAD?

A RE-STATEMENT
AND AN APPEAL

BY

ELLIOTT DODDS, M.A.

Sometime Exhibitioner of New College, Oxford

WITH A PREFACE BY

THE RT. HON. C. F. G. MASTERMAN.



LONDON: GEORGE ALLEN & UNWIN LTD.
RUSKIN HOUSE, 40 MUSEUM STREET, W.C. 1

To replace 437323

TO MY
MOTHER AND FATHER

HM276
D6

TO
MY MOTHER AND FATHER,
FROM WHOM I FIRST LEARNED WHAT
IT MEANS TO BE A LIBERAL, THIS
BOOK IS AFFECTIONATELY
DEDICATED

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PREFACE

MY friend Mr. Elliott Dodds is one of the most brilliant of the younger journalists who have been faithful to Liberalism in a dark hour. They have been faithful, not because it has paid them to be so, or because it has kept them in the prevailing fashion. It has always "paid" to go over to that hybrid Coalition which, in an attempted union between Liberalism and Toryism hostile to all British tradition, seems to have singularly combined the defects of both parties and creeds. And it would have been more "fashionable" to have joined Labour, which so many of ambitions and ideals are now doing : both the middle-aged lawyer who sees any Labour Government in power demanding skilled advocacy and with the gift of important legal positions which must be filled, and the young and ardent spirit, who even before the war was outraged by the vision of Poverty in the midst of Plenty and Plenty seemingly acquiescent in Poverty ; who was and is willing to shatter the sorry scheme of things, if only he can remould it nearer to his heart's desire.

If Mr. Dodds is not found in company with these sordid or splendid recruits, it is because he is, definitely and by conviction, a Liberal. He has studied the Liberal philosophy of life. He believes in the Liberal philosophy of life. He has also, as the following

pages prove, studied other philosophies, and rejected them. If his mind had accepted the Conservative ideal of Society he would doubtless now be going via Coalition to Toryism. If he believed that Socialism offered a real and permanent cure for human ills, he would be migrating, via the Labour Party, into the Socialist camp. But he believes in Liberalism as a faith by which a man can live. He can see Liberalism shattered and dismayed by a great European calamity, as Liberalism is always for the moment shattered and dismayed by the great calamities of war. But he can believe in the time when Liberalism will come into its own again, partly by the work of those who are devoted to it, partly by the great need for it in the world: because only by the Liberal outlook and the Liberal spirit can the world be saved. He is fortified by study of the many previous occasions in which, after similar calamity, its false friends have deserted it, and its enemies have pronounced it undoubtedly dead. It has always obstinately refused to die.

And as the following pages show, Mr. Dodds does not come to advocate Liberalism on the principle of election percentages. The latest fashion is to reckon adherence to a party by careful calculation of the present condition of voting opinion. The present Prime Minister has explained that after careful examination of these percentages he cannot find that independent Liberalism will ever be returned with a majority again. He therefore joins the Tories, and urges all his friends to do so; or rather to join a new party, predominantly Tory, from which not only the spirit, but even the very name "Liberal," shall be extruded. One wonders what the great

Liberal leaders of the past—Fox with his handful of followers fighting for years against public obloquy ; Bright and Cobden almost alone against the immense and crushing influences of the interests behind the Corn Laws ; Mazzini opposing his ideal against the hard tangible realities, with his young men gladly going to death and apparently no change in the world—the sky darkened and God silent ; Gladstone, at the time beyond man's allotted days, wrestling with the crime of six centuries in a struggle which will be memorable for all time—what would such as these have thought of the argument of a Liberal leader, that because by-election percentages after a great war showed no Liberal majority they must lower their flags and trail into the camp of the enemy. It is in face of such a spirit, I suppose, and as taking up so amazing a challenge, that Mr. Dodds has selected the title for his book, “ Is Liberalism Dead ? ” The very question answers itself. Liberalism can never die unless the world is to turn back on its history of progress in emancipation, and man's soul to abase itself before new tyrannies as ruthless as the old. The death of Liberalism would mean the suicide of the hope of man.

There is much that is useful and instructive, presented in attractive and popular form, in the following pages. I would not endorse every judgment and advocacy. But Liberalism presents a broad platform, and, so long as the fundamental loyalties remain, has the widest possible tolerance for divergence of opinion. I am sure the author is right in taking his readers through theory to practice. Men even of fairness and intelligence believe that Liberalism is a kind of half-way house between the creed of Conser-

vatism on the one hand and the creed of Socialism on the other. They think this half-way house to be inhabited solely by those whose emotions refuse to accept the selfishness of the one and whose intelligence is repelled by the unreason of the other. They see hope alone for the Liberal Party as a "Middle Party." But Liberalism, as Mr. Dodds has well demonstrated, is no "Middle Party." It has a solution of its own for the ills which scourge humanity. It finds Socialism and Conservatism—both upholding the principle of Authority, and both careless of individual Freedom—in many respects more allied to each other than each allied to itself. Liberalism does not consist of an amalgam of sentimental Tories and cowardly Socialists. It is no half-way house between one and the other. It is no house at all, half-way or other. It is a broad, straight way of travel—the path upon which the pilgrim, in the confusion of life, may advance at least some way towards the walls and towers of the Celestial City.

I have recently had cause to study again some of these authorities to whom Mr. Dodds refers his readers. I would strongly urge any of those who desire to clear their minds of cant in the present chaos to do the same. They will find the study inspiring. They will rediscover a faith which, upon men who were charged with intellect and energy, acted with the force of a religious conviction. Read Mill and Mazzini, Morley's *Life of Cobden* and Trevelyan's *Life of Bright*. Remember that these men were mocked at as dreamers by the solid advocates of things as they are. Remember that these men—the dreamers—were those who changed the history

of the world, while their assailants vanished into forgotten graves. Read Morley's great *Life of Gladstone*, and see what Liberalism really meant when, as first in the case of the oppressed Christians of the East, later the oppressed nation of Ireland, one man, heedless of calculated percentages of voters, could raise the whole British nation into flame for a disinterested cause, and change the course of human affairs. Above all, if discouraged by the desertion of friends and the feebleness of determination for the public good, read the records of the past to show how the present has gained : how that past at least can never return. Such works as those of Mr. and Mrs. Hammond, describing the life of the town and country labourer when Toryism and Whiggism were dominant, provoke a kind of rage, irrational and futile, that these things were tolerated and no man cared. But they also provoke encouragement and a great hope. For they compel one to realize that a race which can emerge in so short a time from so deep a hell can prove adequate to deal with problems of social misery and unrest, intolerable perhaps, but not hopeless ; that it is possible to make limitless progress in man's betterment by improvement, without revolution. The magnitude of the reforms Liberalism has already attained offer rich promise of the reform which is still to come.

And it is as in fulfilment of, and allegiance to, that great tradition, that Mr. Dodds presents his programme of Liberal ideas. Each is the realization of a principle. Each is the definite application of that principle to the hard and defiant world of practical affairs. Each and all present a variety of appeal : to some, individual advantage ; to others,

satisfaction of the intelligence or the demands for justice and compassion in a world where man has some interest to spare outside his daily task; to others again, that resolve to devote every effort he can summon throughout the length of his days, to make these things come true. I should like to compare with this outline similar books discussing "Is Conservatism" or "Is Socialism," dead? I think they would offer less appeal to anyone who regards liberty of individual or nation as an end in itself, and the happiness of all one of the chief objects of man's life in the world. Certainly no one who reads this book, with the question suggested by the title, will have any doubt as to the answer. Liberalism may be defeated. Its enemies may deem it dispirited. Some of its advocates have left it in despair. But every day it grows in number, power and enthusiasm. It is destined again to renew the experience of its older victory. It carries with it the secret of man's boundless future.

CHARLES F. G. MASTERMAN.

IS LIBERALISM DEAD?

I

BACK TO PRINCIPLE

IS Liberalism dead? Is its mission exhausted? Has it any principles? Has it any programme? These are questions which are agitating not only those who have professed and called themselves Liberals, but every man and woman who is concerned for the future of the commonwealth. The Liberal Party has played an important and not unworthy rôle in the political development of this country. It has produced statesmen, philosophers, prophets whose names will be held in honour while liberty is a thing desired of men. If indeed its death-knell has been sounded, then a profound change is imminent in the whole structure of society. The extinction of Liberalism as a coherent political force will not mean the end of parties, for while human life endures men will be divided, by interest and temperament, into different political camps. But the passing of Liberalism must for good or ill involve a new grouping of parties—a grouping determined by the division of class. And that is a development which (*pace* Lord Birkenhead) no responsible citizen can view with anything but alarm. It may suit the political

strategy of the Coalition to destroy the Liberal Party and to compel it towards a fusion with Conservatism or an absorption within the ranks of Labour. But there are greater issues than this at stake, and if the Liberal Party is hissed off the stage then the curtain will next be rung up on the drama of the class war. In that event Liberals will have to make their choice afresh, and there are some of us (at all events) who will have little hesitation as to our allegiance. But while the issue is still in doubt it behoves us to inquire very carefully into the claim of Liberalism to maintain an independent existence.

Superficially we may admit that Liberalism appears in a bad way. It was overwhelmed at the General Election of December 1918, and, despite some isolated successes at the by-elections, it seems to have lost much of its popular appeal. But these appearances may be deceptive. Liberal principles, as all history proves, suffer eclipse in time of war, and Mr. Lloyd George's endeavour to build up on the ruins of the system which he destroyed a party bound by personal allegiance to himself has irremediably split what was once a united Liberal Party. But this eclipse need be only temporary. The winnowing of these times has been no bad thing. "Liberalism," Mr. Chesterton once remarked, "is at its strongest when it has its back against the wall," and, like many another paradox struck from that prolific mint, the observation is emphatically true. It is a dangerous thing for any great cause to become popular ; it is a still more dangerous thing for it to become respectable. To-day it pays no one to be a Liberal, and that very fact, by frightening off the

careerists and the time-servers, may yet revitalise the Liberal Party. "See," say the climbers to Liberals, as the Kaiser in *Punch's* cartoon said to the King of the Belgians—"see, you have lost everything." Is it possible for Liberals to answer, in King Albert's words, "Everything—save my soul"? If so, then however hesitating the promise of to-day they may confidently look to the recompense of the future.

To answer that question is the object of this small volume. Its purpose is to rediscover the fundamental principles of the Liberal faith and to restate them in the terms of modern needs. That there is still a place for Liberalism in the political and economic development of this country is the author's sincere conviction. But Liberalism, rightly understood, is something more than a party programme. Policies may change but principles remain, and Liberalism, in its only proper sense, means the application of a definite and consistent philosophy to the problems of the day. If the Liberal Party is weak to-day, it is largely because it has lost its contact with the historic grounds of its faith. It has thought too much in terms of expediency and too little in terms of principle. Too often it has played for safety and refused to commit itself until it has seen which way the cat would jump. It still appears to imagine that if only it "lies low and says nuffin'" the electors will come back to it after an unsatisfying exile in the far country. There could be no greater mistake. Playing for safety never yet won a vote, and (more important) playing for safety never yet established a principle.

“ Our apostolate to-day,” wrote Mazzini in 1835, “ is an opposition of criticism.” A similar criticism may be brought with only too much justice against the Liberal apostolate of the past few years. If Liberalism is losing its young men to-day, it is precisely because of this paralysis. The younger generation is asking for a fighting policy, and if it cannot find it in Liberalism it will turn elsewhere. There is urgent need for a restatement of the Liberal creed, in such terms that the man in the street can understand it. It is useless to ask for a fighting policy unless you know what you want to fight for. And it is here that the Liberalism of to-day is weak.

My purpose, then, in writing these chapters is, first, to rediscover the fundamental principles of Liberalism, and, secondly, to apply those principles to modern conditions. I propose to attempt at the outset a brief historical survey, and then to proceed to the more immediate problems with which, as Liberals, we are faced. I do not claim expert knowledge or peculiar wisdom. Still less do I claim any authority to teach those who are better grounded in the faith than myself. I claim only the enthusiasm of one who has been born and bred a Liberal, and believes that in Liberal principles lies the best hope for the peaceful and orderly development of the modern state. If I may define, here and now, what I conceive to be the historic object of Liberal policy, I should say that it is “ the realization of individual liberty within the commonwealth.” With that as the test I shall endeavour to survey the past teaching of Liberal philosophy, and to consider it in relation to the present demands of our troubled and uneasy world. The task is one for which I feel my own

inadequacy, but if, in undertaking it, I succeed only in stimulating discussion, the effort will not be in vain. The supreme need at the moment is for fearless and independent thought, and if Liberalism can give a reason for the faith that is in it, the future of the Liberal Party may be left to look after itself.

One more word by way of introduction. Since some of the following chapters cover ground which has now been traversed elsewhere, I should perhaps explain that the general scheme of the book was worked out before the recent "programmes"—official and unofficial—were made public. Most of the chapters themselves have appeared serially in the columns of the *Huddersfield Examiner*, to the courtesy of whose editor—my friend Mr. Ernest Woodhead—I am indebted for permission to reprint them.

II

AUTHORITY AND FREEDOM

IN attempting to trace the growth of the Liberal idea, one is confronted with a difficulty at the outset. Liberalism has no birthday, and it is impossible to name any particular date and to say "Lo, here," or "Lo, there was the Liberal Party born." Some historians have sought to prove that in the institutions of our Anglo-Saxon forefathers lay the germs of representative government. I do not propose to follow them. Others (in greater number) have hailed the Great Charter and the Parliament of 1295 as milestones on the road to modern Liberalism. These, too, I must pass by. If we are not to lose ourselves in the mists of historical controversy we must perforce take some arbitrary division as our starting-point, and that division for our present purposes may best be represented by the English Civil War.

In the controversy of the Parliamentarians with the Crown, the liberal idea (spelled, at all events, with a small "l") gained its baptism of fire. The insistence on law as against prerogative, the demand that no taxation should be levied without the consent of the elected chamber, the attempt to curb the law-making power of an irresponsible and autocratic monarch—all these things served as a seed-bed for

the growth of modern Liberalism. The Parliamentary party was not, indeed, "democratic" in the modern sense. In its composition it was predominantly bourgeois, and its outlook from some aspects was as narrow as that of the tyranny which it sought to replace. But for all that its programme was progressive, and its conservatism was tempered by the intensely democratic sentiments of the New Model Army. It is possible, indeed, to argue that the Army enjoyed a greater portion of the liberal spirit than the Parliament, for the Army was principally Independent, and Independency was an experiment in religious democracy. But be that as it may, we shall not be far out if we take this struggle of Crown with Parliament as our starting-point.

And here it may fitly be observed that one great voice spoke, without doubt, as the mouthpiece of the liberal creed. John Milton, with his magnificent appeal for freedom of thought, of speech, of Press, was one of the fathers of our faith, and his political tracts may be taken as the text-books of modern Liberalism, without any very material alteration. "Though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do ingloriously, by licensing and prohibiting, to misdoubt her strength. Let her and Falsehood grapple: who ever knew Truth put to the worse in a free and open encounter?" Could liberty speak in more majestic tone?

It is, however, with John Locke that the political theory of Liberalism begins to take most tangible shape. Locke was the product, not of the Cromwellian period, but of its successor. He was born

in 1632, and after the Restoration assumed an ever greater share in developing the political thought of the then youthful Whig party. The whole history of Liberalism has been that of progression from Whiggery to Radicalism, and in each generation the old school and the new have had to do battle afresh. Locke's political writings represent the quintessence of Whig doctrine, as it appeared to the men of 1689, and as such they are the groundwork of every progressive movement since. The definition of the historic object of Liberal policy has been suggested as "the realization of individual liberty within the commonwealth." Towards that object Locke made a distinct and notable advance. He was not, of course, a Radical, and he held the strongest possible views on the sanctity of property. But it is too much to expect that the Liberal doctrines of the twentieth century should emerge fully-fledged from the brain of a philosopher of the seventeenth. Enough that Locke put into coherent shape the philosophy of the constitutional State, and thereby built the scaffolding for the temple of a larger freedom.

The political philosophy of Locke was based upon the theory that a contract (actual or implied) had been entered into between the governing authority and its subjects. To discuss this theory of "contract" in all its forms would require a volume by itself, and no more can be done here than to state the fact without elaboration. From this idea of "contract," it followed that if the governing authority violated the terms on which it was established, it might be overthrown or superseded. In other words, Locke suggested the all-important thesis of government by consent. We are not here concerned with the

question whether such a contract as he assumed ever took place. As a basis of political responsibility, his argument is irrefutable. And its natural corollaries are, first, that every possible endeavour must be made to render the governing power truly representative, and, secondly, that once its authority has been raised above reproach, adequate steps must be taken to secure the obedience of its subjects. A contract, in its very nature, binds both parties, and, given the representative system, a private citizen, with the suffrage at his disposal, has no more right to indulge in violence than a burglar has a right to break into a private house.

The next real development in the liberal idea does not take place for another century, and it must be sorrowfully admitted that once the Whigs had established the rights of Parliament against the Crown they allowed their liberalism to go to sleep. The political history of the first three-quarters of the eighteenth century—the period of the Whig ascendancy—is not an inspiring one. “They fought against the Government,” wrote Mazzini of the reformers of a later age, “because that Government was directly hostile to the classes from which they sprang, and endeavoured to suppress and violate their rights. Afterwards, when their own political and intellectual rights had been secured, when the path to office was opened to them, when they had conquered the well-being which they sought, they forgot the people, forgot that the millions inferior to them in education and in aspirations were seeking the exercise of other rights and the achievement of a well-being of another sort, and they set their minds at rest and troubled no longer about anybody

but themselves." As much must, alas, be said of the Whigs of the eighteenth century. They had won their battle with the Crown, and they used it for their personal ends. It was not till the triple impetus of the American, the French, and the Industrial Revolutions (the first two, be it noted, finding their inspiration in Locke and his doctrine of contract) stirred the liberal idea to new life, that Radicalism once more made bold to cast off Whiggery, and freedom secured her next advance.

III

NATURAL RIGHTS

THE triple Revolution, with a reference to which we closed the last chapter, shook eighteenth-century society to its foundations and set in motion forces the final effects of which have yet to be felt. These three movements—the first predominantly political, the second predominantly social, and the third predominantly economic—set the whole world rocking and affected established institutions like an earthquake. With the dawn of the nineteenth century we enter on a new era—new in its assumptions, its hopes, its ambitions and its problems. We should naturally expect, therefore, that the Liberal movement which had lain dormant for so long should be shaken out of its lethargy and awakened into fresh vigour.

The high explosive which destroyed the old order was, philosophically, the doctrine of "Natural Rights," and in this day of the "practical man," it is not without importance to note that, in the ultimate resort, "theories" are the most explosive things in the world. It is the custom to dismiss the "theorist" with a sneer as a dreamer out of touch with working realities. No greater mistake could be made. As a matter of plain historical fact, it is

the "theorists" who have turned society upside down.

World-losers and world-forsakers
On whom the pale moon gleams,
Yet we are the movers and shakers
Of the world for ever, it seems.

Politics, if we would but realize it, is theory in practice—no less and no more—and what a conscientious politician should concern himself with first of all is the abstract truth of the theories by which he works. "A new idea," says Mr. Zimmern, "is like an electric current set running throughout the world, and no man can say into what channels of activity it may not be directed." That observation is emphatically true of the theory of "Natural Rights."

What, then, was this theory, which wrecked eighteenth-century society and shook the liberal movement out of its after-dinner doze? It may best be summed up in the second article of the Declaration of the Rights of Man, which declares that "the end of every political association is the conservation of the natural and imprescriptible rights of man, these rights being the rights to liberty, property, security, and resistance to oppression." This statement, maybe, does not appear very revolutionary to the modern reader. It may seem, indeed, almost a platitude. But think of the effect which, in practice, it must have exerted a century and a half ago! The vast majority of the people of Europe were regarded in those days as beings devoid of "rights." In our own country, the working masses of the population were looked on as hewers of wood

and drawers of water for their betters. Government was a close preserve for the landed interest, and the needs of the common people were hardly considered in the counsels of the great. Into this stiff, artificial, undemocratic world the declaration that every man had an indefeasible right to "liberty, property, security, and resistance to oppression," dropped like a bombshell. It meant the end of privilege and patronage; the end of autocracy and aristocracy; the end of pocket boroughs and lucrative sinecures, and government of the many for the few. "Natural Rights!"—no wonder that eighteenth-century society trembled in its shoes!

The theory, as has already been remarked, drew its inspiration from the teachings of Locke, and we may therefore claim for it at least an English parentage. Its advocates—like Locke—assumed that in some dim and misty past the human race had enjoyed a Golden Age and that tyrants had intervened to rob it of its liberty. As Rousseau put it, "Man is born free and is everywhere in chains." Locke's notion of a "social contract" was again assumed, though in this case the "contract" was declared to have been made by every citizen with the rest, instead of by the people with their governor. Since, according to this view, government was an ogre gobbling up the "rights of man," the first object of reformers became the limitation of the functions of government to their minimum, and the extension to every citizen of the fullest opportunity to exercise the "rights" of which he had been deprived. But one man's right may be his neighbour's wrong. Yes, said our philosophers, we admit that, and the limit which we set upon the exercise of "Natural Rights" is that

no man, by his free action, shall impair the rights of another. Beyond that, let us have done with government : the individual is supreme.

It is, indeed, easy enough to pick holes in the theory of "Natural Rights." There never was such a Golden Age as Rousseau and his followers imagined, and the life of primitive man (in the familiar words of Hobbes) was "solitary, poor, nasty, brutish, and short." Without government—without law—there can be no liberty, and freedom dissolves in anarchy. The policeman, so far from being the emblem of tyranny, is society's best friend. It is the commonwealth which takes man from savagery and makes him a citizen. The theory, therefore, is unhistorical to begin with. Moreover, it lays too much insistence on "rights" and too little on duties. I must be excused if I quote Mazzini once more, for here, as in many another case, he seems to have got hold of the root of the matter. "Italian working-men, my brothers," he cried in memorable words, "when Christ came and changed the face of the world, He did not speak of rights to the rich, who had no need to conquer them ; nor to the poor, who would, perhaps, have abused them, in imitation of the rich. He spoke of Duty, Love, Sacrifice, Faith ; He said that they only should be first among all who had done good to all." It is true. Over-emphasis on "rights" may mean the neglect of duties, and a philosophy founded on "rights" alone is lop-sided and unbalanced.

But, when all this has been admitted, it must be recognized that the advocates of "Natural Rights" deserved well both of their own and of future generations. It may be proved by a logician that there are

no such things as "imprescriptible" and universal rights, but for all that the theory lit a new hope in the hearts of men. It asserted implicitly "the infinite worth of every human soul," and set up a new and revolutionary standard for society. Has man a "right" to such working and living conditions as enable him to develop his faculties to the uttermost? Has woman a "right" to equality before the law? Have the children of the community a "right" to education and good food and sufficient clothing? Most Liberals, at all events, will agree that they have. And why? Because they believe that every citizen has a "right" to at least a minimum of comfort, sustenance, and decency. This doctrine of "natural rights," with all its historical and philosophical errors, gave the Liberal movement a rallying-cry, and established a principle which modern Liberalism cannot ignore. With its defects we are not now concerned. At least it extended the area of liberty, and brought all men, and all classes, within the orbit of ordered freedom.

IV

THE UTILITARIANS

“**T**HE progress of opinion,” said J. S. Mill, “is like the advance of a person climbing a hill by a spiral path which winds round it, and by which he is as often on the wrong side of the hill as on the right side, but still is always getting up.” This is true of every progressive idea, and if, in tracing the growth of Liberal theory, we expect to find a straight-forward, consecutive development of thought, we shall be doomed to disappointment. Like everything else in this world of evolution, the Liberal movement “runs for ever down the ringing groove of change.” The important thing for us to remember is that it does run in a groove. If the metaphor may be changed, we need not worry if the political pilgrim changes his kit as climate and temperature demand; we need not object if he employs new weapons to deal with new enemies; we need not be seriously perturbed if at times he seems to stray from the road or dally by the wayside. The one thing that matters is that his goal should remain the same.

If we bear in mind our original definition of the historic object of Liberal policy, we shall discover, if not a consistency of letter, at least an identity of spirit among the various schools of Liberal philosophy.

Nothing could be more different, for example, than the outlook of the Utilitarians and that of the apostles of "The Rights of Man." Yet their ultimate goal—the practical result of their teaching—will be found to be much the same. As we saw in the previous chapter, the doctrine of "Natural Rights" gave the Liberal movement in this country a new impetus. But hardly had that impetus become effective than it received a check. The excesses of the French revolutionaries sent a wave of horror through England, and convinced at any rate the governing classes that a theory which bore such fruit must be fought by every means at its disposal. The Liberal movement was snowed under by a storm of terrified reaction, and the promise of reform, which seemed so bright only a few years before, was nipped in the bud. Liberal theory, however, was all the time feeling its way along another line of advance, and the Utilitarians were preparing to take up the battle where the advocates of "the rights of man" had been compelled to abandon it.

Of these we may take Jeremy Bentham (1748–1832) as characteristic. No one could be more scornful than he of the doctrine of "Natural Rights." "A great multitude of people," he wrote, "are continually talking of the Law of Nature, and then they go on giving you their sentiments about what is right and wrong, and these sentiments, you are to understand, are so many chapters and sections of the Law of Nature." There was no right, he urged, but that which was the gift of law, and without law all rights fell into abeyance. Historically this position was much more sound than that adopted by Rousseau or Tom Paine. It is the fact that the only effective

liberty is that which is sanctioned and safeguarded by law. None the less, Bentham and his followers were pursuing exactly the same object as that which had been followed by those whom they derided. This object (in a famous phrase) was "the greatest happiness of the greatest number." Of every theory and every proposal they asked, "Does it work?" In their eyes there was only one test of value—utility. If a "right" could be shown to be without utility, then the philosopher might dismiss it from his calculations. "The happiness of the individuals of whom a community is composed," Bentham declared, "that is, their pleasures and their security, is the end, and the sole end, which the legislator ought to have in view."

The basis of Bentham's philosophy (a basis which most modern Liberals would question) may be summed up in the following passage: "I believe," he declared, "in the universal selfishness of mankind. Put one class or section in domination over another and it will automatically prey upon it. The only cure, therefore, for the selfishness of government is to entrust government to the majority, since the majority will follow their own interests and the greatest happiness of the greatest number will result." The basis of this argument may be questioned; but its consequences are unchallengeable. Imagine the task with which "the philosophic Radicals" were faced—the "sinister interests" with which they were confronted. There was monopoly of the franchise, monopoly of the legislature, monopoly of the civil service, monopoly of the army, monopoly of the Universities, monopoly of trade. These monopolies, and many another, "preyed

upon " the community, and Benthamism, in asserting the principle of majority rule, provided the weapon for their destruction. We may think better of our fellows than Bentham did. We may base our argument for majority rule on other foundations, but it remains true, does it not, that " the only possible, the only conceivable, principle which can guide legislation on a great scale is the greatest happiness of the greatest number " ?

Just as in the case of " Natural Rights," so in that of Benthamism, it is easy enough to raise objections. A man may possess " subsistence, abundance, equality, and security " (the four points in the Benthamist charter) and still be unhappy. A belief in the tendency of all authority to become corrupt breeds a distrust of government which may limit State action at many a vital point. There is a hardness about Benthamism, a materialism, a contempt for tradition and social duty, which would rob Liberalism of the enthusiasm which transforms its task into a perpetual crusade. In the narrower sense, " utility " is not the only test of value. There are more things in heaven and earth than were thought of in Bentham's philosophy. None the less " Utilitarianism," even as he understood it, gave the Liberal movement an impetus the effect of which is still by no means exhausted. It laid down the principle that " private monopoly " of any kind was inconsistent with the true interest of the community. It asserted the truth that majority rule alone affords security for the liberty of every citizen, and that no class and no clique has the right to impose its will upon the commonwealth. It emphasized the need for truly representative government, and pointed

the way to the application of that principle to every sphere of national life. It remained for John Stuart Mill to preach a wider "Utilitarianism" than Bentham envisaged and to interpret utility "in the largest sense, grounded on the permanent interest of man as a progressive being."

V

JOHN STUART MILL

WHENEVER I hear the name of John Stuart Mill I think of that wonderful portrait by G. F. Watts. The lofty forehead ; the set, decided mouth ; the eyes fixed in downward gaze on some object of intense concentration ; the gleam of human kindliness that redeems the face from mere austerity—all suggest a personality of unique power and attraction. Mill was indeed one of the greatest Liberals. Alike in his demand for liberty, in his insistence on the duties as well as the rights of the individual, in his passion for truth, and in his readiness to sacrifice old prepossessions in the light of a larger vision, he typified the Liberal spirit at its very highest. There have been many other great Liberals in the history of our country, but few who in their own single persons more adequately symbolized the great principles for which Liberalism stands. Mill, in a sense, was Liberalism, and we shall do well to pause for a moment in our progress and gain an insight into his great mind.

John Stuart Mill was bred in the strictest sect of Benthamism, and a Utilitarian he remained to the end of his days. But his Utilitarianism was a thing larger and infinitely more spiritual than that of his master. "In the golden rule of Jesus Christ," he

once wrote, "we read the complete spirit of the ethics of utility : To do as one would be done by, and to love one's neighbour as oneself, constitute the ideal perfection of utilitarian morality." "Education, habit, and the cultivation of the sentiments," he declared in his "Autobiography," "will make a common man dig or weave for his country as readily as fight for his country. True enough, it is only by slow degrees, and a system of culture prolonged through generations, that men in general can be brought up to this point. But the hindrance is not in the essential constitution of human nature. Interest in the common good is at present so weak a motive in the generality, not because it can never be otherwise, but because the mind is not accustomed to dwell on it as it dwells from morning to night on things which tend only to personal advantage. The deep-rooted selfishness which forms the general character of the existing state of society is so deeply-rooted, only because the whole course of existing institutions tends to foster it." Bentham's four essentials of happiness—subsistence, abundance, equality, and security—were too narrow for Mill. He realized that man was, at bottom, a spiritual being, and that pleasure could not be weighed up on the quantitative principle. Perhaps the difference between his outlook and that of the older Utilitarians may be best emphasized by saying that while they sought the greatest happiness, Mill sought the greatest good, of the greatest number.

In other ways, too, Mill differed from the school in which he had been trained. He possessed a reverence for tradition which was unintelligible to the orthodox Benthamist. He recognized order as the positive,

of which progress was the comparative, and thus rescued the Liberal movement from mere iconoclasm. In his insistence, moreover, on the freedom of the individual to live out the best that was in him, he did not ignore the claims of the community. In his earlier days he was an uncompromising individualist, but as he grew older he adopted views which, to his generation, must have appeared as Socialistic.

“While we repudiated,” he wrote, “with the greatest energy that tyranny of society over the individual which most Socialistic systems are supposed to involve, we yet looked forward to a time when society will no longer be divided into the idle and the industrious, when the rule that they who do not work shall not eat will be applied not to paupers only but impartially to all; when the division of the produce of labour, instead of depending, as in so great a degree it now does, on the accident of birth, will be made by concert on an acknowledged principle of justice; and when it will no longer either be, or be thought to be, impossible for human beings to exert themselves strenuously in procuring benefits which are not to be exclusively their own, but to be shared with the society they belong to.” This prospect, it is true, he regarded as Utopian, but even as an ideal it is far enough from the pure individualism of Bentham.

If, in the deepest sense, Mill was an individualist, it was because he believed that “the worth of a State in the long run is the worth of the individuals composing it.” It was as a moral and intellectual force that he demanded free play for personality, and not as a means to commercial or material success.

His essay on "Liberty," whatever criticisms a later generation may pass upon it, remains one of the most magnificent apologies for the development of the individual soul which the English language can show. Its only adequate companion is Milton's "Areopagetica." Like the Puritan poet, Mill pleaded for freedom of thought, of discussion, of action. Without such freedom, he believed, opinion would be held "as a dead dogma, not as a living truth." He was a sworn foe of authoritarianism in all its forms. "No one can be a great thinker," he declared, "who does not recognize that as a thinker it is his first duty to follow his intellect to whatever conclusions it may lead." Without liberty of choice there could be no effective virtue, and only free citizens in a free state could render that "reasonable service" which the community requires. The individual, however, did not exist merely for himself. He existed for his fellows, and his liberty was the means to a larger end. Freedom alone could secure that "greatest good of the greatest number" which Mill set up as the goal of his political philosophy.

It is true that this passion for individual liberty made Mill, in his earlier years at all events, a severe critic of State action. He disliked "grandmotherly interference," and would concede to the State only so much "compression as is necessary to prevent the stronger specimens of human nature from encroaching on the rights of others." In this he harked back to the teaching of an older school, which insisted that the only limit on the exercise of the individual rights was that they should not impair the rights of others. But the very statement carries with it a larger meaning than Mill, when he wrote it, envisaged. As

we shall see later, the network of State "interference" which has been built up since his day has had as its object this precise end. When Mill wrote of the slave, "The principle of freedom cannot require that he should be free not to be free," he raised the question of economic freedom with which the modern social conscience is concerned, and pointed out that a liberty which leaves men enslaved by the "iron laws" of industry is no liberty at all. Throughout his life Mill's mind (in his own words) was "always pressing forward, equally ready to learn and to unlearn either from its own thoughts or from those of others."

Mill, however, was something more than an abstract philosopher. He was a practical politician as well. In his essay on "Representative Government," he sought to save the modern State from the domination of "sinister interests" on the one hand and from mob-rule on the other. He was a firm believer in democracy, but he saw that the representative principle was the only sure foundation on which democracy could be built. He wished to retain for the representative large powers of individual decision and set his face like a flint against coupons and caucuses. He was one of the earliest advocates of Proportional Representation, as well as one of the doughtiest champions of women's rights. He was a good friend to Ireland, and, though he believed in the private ownership of land, he insisted on the use of it as a public trust and the necessity of taxing "the unearned increment." Those who study the writings of Mill will find, it is true, many arguments which modern Liberalism has discarded. But they will also discover the essential principles of the Liberal faith presented in such stately prose as few

philosophers have reached. Individual liberty was the great burden of Mill's teaching, as it is the object of all truly Liberal effort. But it was "individual liberty within the commonwealth," and directed to the highest purposes of social co-operation. With Mill, the Liberal movement sheds the selfishness of the school of "Natural Rights" and the materialism of the earlier Utilitarians. "The utmost for the highest" was the motto of G. F. Watts. It might well be taken as an epitaph on the great Liberal whose portrait he painted with such consummate understanding.

VI

THE MANCHESTER SCHOOL

WHILE John Stuart Mill was feeling his way towards a larger Liberalism, another group of reformers was pressing forward along a parallel line of advance. This group, of which Cobden was the logician and Bright the prophet, is commonly known as "the Manchester School," and in the practical effects of its teaching it had much in common with the Utilitarians. It owed its growth to a variety of causes. The "mercantile system," which had held sway throughout the later middle ages and persisted during the seventeenth and eighteenth centuries, was tottering to its fall. The ideal of this system (which had much in common with modern Protectionism) was that of the "self-sufficing national State." It regarded all foreign goods as displacing English labour, and by a rigid scheme of import restrictions and an insistence that English merchandise should be carried only in English ships, it had endeavoured to construct a ring fence round the home market.

The rapid succession of inventions which characterized the latter half of the eighteenth century had sounded the death-knell of this system. No longer was England predominantly an agricultural community. For good or ill she had become an industrial state. The new enterprise, which this revolution

had called into play, found itself hampered at every turn by an intolerable series of restrictions. The Corn Laws, originally intended to secure an abundance of home-grown food for a self-supporting population, had degenerated into an unbearable monopoly maintained in the interest of the land-owning classes. English social life was developing the double phenomenon of the landless labourer and the propertyless factory-hand which is at the root of most modern problems, and at the same time the new commercialism was knocking at the gates of the old order and demanding room for recognition and expansion. Sydney Smith's caustic description of the condition of England in the last years of "mercantilism" is well known, but it will bear fresh quotation here. "The school-boy," he wrote, "whips his taxed top; the beardless youth manages his taxed horse with a taxed bridle on a taxed road; and the dying Englishman, pouring his medicine, which has paid seven per cent., into a spoon that has paid fifteen per cent., flings himself back upon his chintz bed which has paid twenty-two per cent., and expires in the arms of an apothecary who has paid a licence of a hundred pounds for the privilege of putting him to death." Such was the paradise of Protection in which our fellow-countrymen lived a hundred years ago.

At a time when the factors of modern England were so radically re-asserting themselves, the "Manchester School" came to birth. Cobden was born in 1804 and died in 1865: Bright was born in 1811 and died in 1889. The main period of their activity was thus covered by the life of John Stuart Mill, who was born in 1806 and died in 1873. The movement of which Cobden and Bright were the leading

figures had, in its domestic aspect, three main features. The policy with which it is most popularly associated and in which it contributed most effectively to social and political liberty, was the destruction of the Corn Laws and the emancipation of British trade. Seizing on the root fallacy of the "mercantile theory," it insisted that all international trade was barter, that goods paid for goods, and that imports were the return which a country received for the labour and capital which had gone to produce her exports.

The fundamental principle of this philosophy was the division of labour. Under a system of unrestricted trade, the "Manchester School" urged, each nation would turn its energies to those industries for which it was, by Nature, best fitted, and a Free Trade world would secure the maximum of efficiency and comfort for its several members. Whether or no other countries followed the example of England (and it was certainly the hope of Bright and Cobden that they would) a system of free imports would encourage her own industrial progress and thus enable her to secure the "abundance" which we have seen to be one of the four demands of Bentham and his followers.

The motive of this Free Trade policy, however, was something more than economic. The "Manchester School" clearly saw that tariffs bred wars, and that a system of general Free Trade would be the surest guarantee of peace. Since, moreover, wars cost money, Cobden and Bright regarded the destruction of tariffs as one of the surest ways to domestic retrenchment. Expenditure upon superfluous military and naval establishments, expenditure upon unnecessary colonial forces, expenditure at home in corrupt and unproductive channels—against all of

these they agitated unceasingly. At a time when the national expenditure still runs into several million pounds a day, this aspect of the teaching of the "Manchester School" may well be kept in mind. "Peace, retrenchment, and reform"—the old watch-words of the Liberal Party—are, in truth, interdependent, and none can be neglected without detriment to the others. Financial integrity, financial economy, are not very attractive goods for the political shop-window, but (as Bright and Cobden saw) they are the very foundation of good government. In comparison with even the necessary expenditure with which we are faced to-day, the estimates which they regarded as "swollen" seem the veriest gnat-bites, but the principles on which they based their appeal are of permanent and most practical value.

The third point in the programme of the "Manchester School," and the point in which it invites the most serious criticism of a later generation, was its application of the principle of non-interference to the relations between employers and employed. "Enlightened self-interest" was the guiding star of its philosophy. It believed that in a community in which government held the ring and allowed natural forces to do the rest, each man would discover his own proper aptitude and the best would come out on the top. This attitude was based on a legitimate and necessary respect for individual liberty. Its object was the freedom of each citizen to work out his or her own salvation. It was not founded (as is assumed so often) on a desire to secure the highest profits for the manufacturer or on an intention to keep the wage-earning classes in a position of permanent servitude. Its ideal was that of "self-help,"

and its purpose to encourage individual initiative and enterprise. This, in fairness, we should remember. At the same time it is obvious that, just as the apostles of "Natural Rights" were wrong in believing that a state of nature was a state of happiness, so the "Manchester School" failed to see that "non-interference" might be the very antithesis of liberty. "In the matter of contract," Professor Hobhouse says, "freedom postulates substantial equality between the parties," and this essential fact the "Manchester School" ignored. The regulation of industry, which has increased with such rapid strides since its time, has aimed, not at restricting freedom, but at making it a reality. Pure and unrestricted individualism means, in the long run, social anarchy.

Such a criticism of "laissez-faire" is not only just but obvious. None the less, it is more than unfair to denounce the "Manchester School" as the agent of social tyranny and to dismiss its doctrines, with croquet and crinolines, as futile relics of the Victorian order. On the constructive side it was admittedly weak, and its ideal of "non-interference" was incompatible with any adequate recognition of social needs. But the service which it rendered in the emancipation of British trade, the emphasis which it laid on peace and retrenchment, and the belief in individual initiative which underlay even its most mistaken efforts, were contributions to the Liberal movement of immense and permanent value.

The "Manchester School" is not popular to-day. Its prophets are stoned by men who are not worthy to unloose their shoe-latchets. But for all that, no Liberal can afford to ignore the great part which it

played in the education of public opinion or the enduring principles of international trade relationships which it laid down. The self-reliance and independence for which it pleaded must still remain the object of a wise government, and if its desire to secure free play for the individual led it to ignore the true nature of economic liberty, it must be remembered that it destroyed the noxious profiteering of Protection and vindicated the forgotten claims of the consumer. It is easy to accuse the "Manchester School" of materialism, of commercialism, of blindness to human needs and demands. It is easy to denounce its opposition to the Factory Acts, and to point out the insufficiency of its social programme. But no theory can free itself from the circumstances in which it is born. The Liberal movement has been one of progressive development, and its first task has necessarily been that of destruction. The men of the "Manchester School" wrought greatly for the freedom of their country, and with all their limitations Liberals should pay to them their tribute of gratitude and admiration.

VII

CITIZEN AND COMMONWEALTH

IN the "political idealism" preached by Thomas Hill Green, who was born in 1836 and died in 1882, we find a philosophy which redresses the balance of Liberal thought, and sets the individual in his proper place within the commonwealth. Green was Liberal both by temperament and by conviction. "A religious Radical," his biographer calls him, and the description is apt and to the point. He cherished an immense admiration for the men of the Puritan Revolution, and the union of religion and politics which has been the distinguishing characteristic of so much English thought found in him a fresh and vigorous expression.

Professor McCunn summarizes his attitude in the following sentence: "Civic duty, rightly regarded, is nothing less than a spiritual function, or, if we prefer so to phrase it, the life of citizenship is a mode of divine service." Green was himself a practical politician. He was the first Oxford tutor to be elected to the City Council, he played a prominent and effective part in educational and temperance reform, and he spoke many a time from Liberal platforms. He thus proved his theory that citizenship can be fully enjoyed only by those who undertake its responsibilities.

In a sense, Green was conservative. He had none of that contempt for tradition, that hatred of established institutions as such, which marked the earlier Radicals. "There are two foundations," once wrote Professor Gardiner, "upon which government must rest if it is to be secure: traditional continuity derived from the force of habit, and national support derived from the force of will." This Green emphatically believed. The development of human institutions, he held, was the expression of "an eternal consciousness," and society was the expression of a consistent will. These institutions and this society, he readily admitted, were far from perfect, but none the less they were working onwards to something better. The State was not a tyrant, snatching its powers by force; it was not even the result of contract; it was the expression of an organic unity and the condition of all personal liberty. This conception of the ideal nature of the commonwealth Green, of course, derived from Greek philosophy. The "city-state" of Plato and Aristotle was the foundation of all his thinking. He owed much, too, to Hegel, and perhaps still more to Kant, but he never fell into the German error of erecting the State into an end in itself. "The life of the nation," he wrote, in words that remind us both of Bentham and of John Stuart Mill, "has no real existence except as the life of the individuals composing the nation." •

The apparent conservatism of Green was, however, in no way inconsistent with an uncompromising Liberalism. His profound reverence for the political achievements of past generations and his belief in a divine purpose working, unceasingly, to attain

perfection, only invigorated his passion for reform. He held, with one of our own latter-day poets, that

A large and liberal discontent,
A thirst to know and understand,
These are the things in life's rich hand,
The things that are more excellent.

"It is precisely through the conscious dependence upon a universal spirit," says Professor McCunn, "that there comes into human life that element in which lies the nerve of all progress. That element is the presence and everlasting vitality of ideals." Just because Green believed in the progressive development of human institutions, he believed, too, in the duty of bringing the actual more closely into harmony with the ideal. He was a great advocate of "the rights of man"—not the "rights" which men once possessed in a mythical "state of nature," but the "rights" which are essential to their moral development as members of society. These "rights," he held, were not all embodied in law, for it is impossible to legislate too far ahead of public opinion. But they are "ideal rights" to which legal rights must gradually approximate.

In his treatment of "rights" we get at the core of Green's political teaching. "True rights," he wrote, "are powers which it is for the general well-being that the individual (or association) should possess, and that well-being is essentially a moral well-being." Liberty did not mean license to do anything which the natural man might desire. It meant "a positive power of doing or enjoying something worth doing or enjoying." We are far enough here from the original school of "Natural

Rights," and equally far from the isolated individualism of the Utilitarians. The rights which a man should legitimately enjoy are those rights which give him the opportunity of becoming a good citizen. But for him to enjoy those rights it is essential that the community should take steps to interfere with the anti-social "freedom" of others. Here Green parts company with the Manchester School. The bare doctrine of "non-interference" appeared to him (as indeed it is) inconsistent with any true conception of social duty. The duty of the State was the "removal of encumbrances" which might hamper the development of the good life. It could not, indeed, make its citizens moral. It could not "make men good by Act of Parliament." But it both could and should remove all such obstacles as prevented them from living out the best that was in them.

Along this line of argument we have the proper ground of defence for the increasing "interference" of the State, and even for such forcible persuasion of anti-social individuals or groups as may hamper the "goodwill" of their fellow-citizens. The individual is set in the commonwealth. From the commonwealth he derives his power of living the "good life," and to the commonwealth he owes the best service of mind, body, and soul. But the commonwealth owes him a reciprocal obligation. By means of the organization which we call the State it must protect him against exploitation and secure for him the opportunity of "self-determination." No act is truly moral that is not an act of will, and the State can never create that will. But it can "remove encumbrances" which make it

impossible for the will to have free play, and it can secure for all its members the chance of service.

It is here, then, that we find the reconciliation of the older individualism with the conception of man as a "social animal." It is here that we find "liberty" properly interpreted in terms of the commonwealth. Freedom is not an end in itself. Neither is the State. The true end of both is the development of the individual soul towards moral ends, and the ultimate creation of that ideal commonwealth of which all good men dream.

VIII

THE WORLD VIEW

WITH the "political idealism" of T. H. Green this preliminary survey must conclude. The first object of this little book was stated to be the examination of "historic" Liberal theory, and we can hardly continue further without trenching on contemporary politics. The development of Liberal thought did not end with the Oxford philosopher. Indeed, it can never end, for Liberalism is a thing of perpetual growth. But we now have sufficient material on which to base a statement of essential Liberal principles. Before, however, summing up the results of our investigation and then passing on to a study of present-day problems, a few words must be said on foreign and imperial policy.

This aspect of Liberalism is surrounded with considerable difficulty. For, in the first place, Liberal theory has concerned itself more with the question of domestic liberty than with the intricate problems of international relationships. The Manchester School, it is true, made "non-intervention" one of the principal points in its programme, and T. H. Green looked forward to a time when "the dream of an international court, with authority resting on the consent of independent States, may come to be realized." But, broadly speaking, we

are left to deduce from the general principles of Liberalism and its activities in practical politics the view which it takes of foreign and imperial responsibilities.

This, however, is not the only difficulty. Running through Liberal policy there have been two distinct (and apparently inconsistent) tendencies. The first has sought to restrict the interference of this country in foreign affairs to a minimum and has preached a doctrine of "splendid isolation." The second has passionately endorsed the claims of "peoples struggling to be free," and has been eager to go crusading on behalf of popular liberties throughout the world. The former we may identify with the philosophy of a Cobden; the latter with the activities of a Gladstone, or even of a Palmerston. It is, indeed, possible to reconcile these two tendencies, and to do so on the basis of fundamental Liberal principles. But, superficially, the gulf between them seems unbridgeable.

So far as imperial affairs are concerned, we must remember that all parties alike, up to the last quarter of the nineteenth century, regarded our colonies in a very different light from that in which we view them to-day. Even Disraeli, the prophet of imperialism, looked forward at one period in his career to a time when they would "drop from the tree." In Liberal principles, it is true, there lay the seeds of the true conception of Empire, but it has remained for a later generation to garner the fruits. The attitude of the Manchester School on this question, as on factory legislation and other matters, has been much misrepresented. "People tell me I want to abandon our colonies," said Cobden

in 1849, "but I say, do you intend to hold your colonies by the sword, by armies, by ships of war? That is not a permanent hold upon them. I want to retain them by their affections." That is the essence of Liberal imperialism, and it is necessary to remember the facts when the Manchester School is accused of "Little Englandism."

I have said that the true lines of foreign policy must be deduced from the general principles of Liberalism. Just as in the domestic sphere, the object of Liberal policy has been "the realization of individual liberty within the commonwealth," so its object in the international sphere must be the effective liberty of independent nations within a world organization. The State, like the individual, has a "will," and it is essential that that "will," if it be directed to good objects, should be capable of full realization. In such a conception alone is it possible to reconcile the demand of every people for a free existence with the peaceful development of the world. As will be seen later, the League of Nations is the practical application of Liberal principles to foreign relationships and, by securing to every consciously national group the opportunity of ventilating its grievances, it should at one and the same time extend the area of national liberty and enable this, and other countries, to keep free from campaigns of "intervention."

So in imperial policy. The very fact that "the British Commonwealth" is increasingly replacing "the British Empire" in popular speech and thought indicates the steady progress of Liberal ideas. This point must be deferred for further development in a later chapter and we must content ourselves here

with recognizing that only a system which allows to its fully-grown members an adequate share in the framing of common policy; which gives to each the largest possible measure of "self-determination"; and which regards its tutelage of more backward races as a trust, to be discharged with a view to their eventual self-government, can emerge successfully from the test of historic Liberal theory.

The British Empire, even as it stands to-day, is the most remarkable experiment in liberty which the world has yet seen. It has reconciled the demands of freedom with the claim of a common loyalty in a manner never before achieved. And it has shown that individual national expression, so far from being inconsistent with, is the very essence of, the imperial commonwealth. There is an immense task still left to Liberalism in making "self-determination" for the Empire a more effective reality, but it has the course mapped out for it by the teaching of its previous history.

The service rendered by the Liberal movement in the international sphere may best be summarized by saying that it emphasized the morality of the State. The German conception of the State as being "above the law" is familiar enough to us in these days, but we must remember that it is a conception which has not been confined to Germany. The phrase "My country, right or wrong," is an expression of this doctrine in popular language, and it still exercises a profound influence on general thought. That the State has no higher duty in international relationships than its own aggrandizement; that the ordinary rules of conduct which obtain between individuals have no validity as between it and other

peoples ; that any admission of the competence of outsiders to adjudicate on its claims is a species of anti-patriotism—these are beliefs which are common even in our own country to-day. To all these Liberal thought is definitely hostile. It claims that the State is a moral “personality,” and has duties as well as rights. It demands that it should look to something more than its own interests, and should even, at need, be prepared to sacrifice power or prestige if it has put itself in the wrong. It emphasizes the fact that every people is but a member of a larger family, and that, just as in the State itself the common good must be the ultimate criterion, so in international relationships the world commonwealth is a moral reality.

“Two doctrines,” Mr. Herbert Samuel wrote in the admirable volume on “Liberalism” which he published some years ago, “compete for the general guidance of international affairs ; and a statesman, a party, or a nation must accept the teaching of one or the other of two schools of thought if their course through the currents and shallows of foreign politics is to be intelligent and consistent. Of these fundamental theories the ideal of one is cosmopolitan ; of the other it is strictly national. One holds that a State has duties to all mankind ; the other that a State’s duties are limited to its own subjects. One is inspired in its dealings with foreign nations by a spirit of goodwill ; the other by a spirit of active or latent hostility. The first of these springs from the root of Liberal policy. Devotion to it, hostility to the other, has been among the essential principles of Liberalism throughout its history. At various times and in various circumstances, Liberals may

hold different views as to the desirability of intervening in this part of the world or that, of co-operating with this Power or the other; but the doctrine that the foreign policy of England should aim at promoting the welfare, not only of England, but of the world at large, is a permanent and characteristic article of their creed."

The general situation could hardly be better stated. Liberal principles of foreign and imperial foreign policy are largely implicit in the teaching of Liberal philosophy. The Liberal movement has seemed at one moment to veer towards a programme of non-intervention and at another to swing round to the idea of a crusade. But the fundamental instincts of its faith have been the same—a belief that peace is the common interest of all mankind; an assurance that no international system can long remain secure which is not based on the liberty of its constituent members; and a conviction that, beyond the duties which a State owes to itself, there are other obligations which it owes to all humanity.

IX

A RETROSPECT

WE have now reached a point at which we may profitably look back and survey the path by which we have come. It has been a winding path, full of twists and turns. Now and again it has seemed to go back upon itself, and at times even to be leading to a blind alley. But we shall find, if we look at it closely, that, like every path beaten out by the foot of man, its wanderings are part of its interest, while it has kept in view throughout the same eventual goal.

Discussion of the actual achievements of the Liberal party in the field of political and economic reform has been avoided of set purpose, partly because any adequate treatment of such a subject would require a large volume to itself, but more because the object aimed at in this preliminary survey was confined to the study of *principles*. "It requires a cool head and a clear vision," wrote Mr. Asquith in 1902, "to disentangle the essential continuity of ideal and spirit which preserves the identity of a political party in its prosecution from time to time of particular measures and policies. The ground, every inch of which has been stoutly contested and won with difficulty by the fighters of one generation, becomes in the next the common

property of both sets of combatants. The struggle is then transferred to a new theatre of war to which, perhaps, both the methods and the cries of the last are inappropriate. And so the process goes on with a bewildering variety and confusion, which makes it often difficult at first sight to say whether what, in the dialect of politics, is called a 'new departure' is a development or an abandonment of old principles."

This is essentially true, and the story of Liberal achievement must be left to other and more competent hands. My own task has been perhaps a simpler one—to reconsider the various philosophies of life and politics which have laid down the course of the Liberal movement and to gain from them some guiding lines for the activity of Liberalism to-day.

I trust that I shall not be held guilty of "damnable iteration" if I come back once more to my original definition of the historic object of Liberal policy—"the realization of individual liberty within the commonwealth." This, I believe, gives us the clue to the often perplexing path which we have trodden and suggests the "continuity of ideal and spirit" which has characterized the development of Liberal thought. The supreme service rendered by earlier Liberal theory was the insistence with which it dwelt upon individual liberty. Where it was weak was in its neglect of the commonwealth. In its desire to secure for the individual the maximum of "self-determination," it tended to ignore his social character and to view him, in abstraction, as an isolated atom. The advocates of "natural rights" regarded all government as an evil; the Utilitarians looked upon it as an unpleasant necessity,

the sole object of which was to guarantee rights by law ; the Manchester School would have limited its activities to a minimum, and left as much as possible to the free play of " enlightened self-interest." The antithesis of " the Man *versus* the State," pressed from the biological standpoint by Herbert Spencer, runs through all these earlier philosophies.

This, indeed, was only natural. The State, as understood by these thinkers, had presented itself as a tyrant. The first step towards the emancipation of the individual lay in the destruction of monopoly, and monopoly, at that time, seemed vested in the organ of government. The mediæval State, moreover, had supervised the individual at every turn and had exercised a control paralleled only by recent experiments in communism. We have to remember, too, that the whole cast of English thought is individual. It is independent, self-assertive, resentful of regimentation. We may see in German philosophy the opposing tendency at work, and the State exalted almost as a god. In this view, the individual exists only for the State ; he is no longer an end in himself ; he is drilled, and disciplined, and controlled, until he loses all capacity for free decision. It would be interesting to follow up this line of thought, and to trace the effect of these two divergent tendencies on national character. But this would go beyond the scope of the present volume, and we must pass on.

T. H. Green, following the later teaching of J. S. Mill, saw the weakness of pure individualism, and insisted that, while individual liberty depended on the commonwealth, the State was called on to take such action as might be necessary to give every

man the opportunity of living "the good life." The individual, as he saw, must be secured in the opportunity for self-development, not merely in his own interest, but in order that the community may be able to avail itself of every talent which its members may possess. This, indeed, is the essential basis of democracy. Liberals are democrats, partly because they believe that the broader the basis of consent the more secure government will be ; partly because they hold, with Aristotle, that those who live in the house are the people to decide on its construction ; but, most fundamentally, because they consider that democracy calls out the most in the individual citizen, makes him realize his partnership in the great enterprise of the commonwealth, and appeals to him to throw his best energies into its service. "There can be no kind of doubt," said Mill, "that the passive type of character is favoured by the government of one or a few, and the active, self-helping type by that of the many." All history endorses that verdict, and since that community will be the happiest and the best-ordered which relies on the willing and instructed energies of its several members, "self-government" is the very breath of Liberal faith.

From this it follows that any conditions which tend to check individual development must be fought by Liberals root and branch. These conditions may be the result of political or economic subjection or they may spring from the regimentation of State or group control. Liberalism during the nineteenth century was apt to confine its efforts at emancipation too exclusively to the political sphere, and to forget that a man is a worker as well as a

citizen. It devolves on Liberals to-day to follow out the implications of their faith and to apply the principle of self-government to industry. At the same time there is grave danger lest, in our endeavour to extend, we should actually contract the area of liberty, and make men bond-slaves to a tyranny as oppressive, if less brutal, than that from which we would save them.

Liberty does not lie merely in freedom from restraint. Still less does it involve freedom to assert anti-social "rights" against the interests of the community. True freedom means that opportunity should be given to every man, woman, and child in the commonwealth to live out the best that is in them and to develop their faculties for the service of their fellows. No man, with a heart, a mind, and a conscience, can pretend that England, as we know it to-day, affords such an opportunity. Thanks to the efforts of Liberal statesmanship in the past and the progressive development of Liberal theory, conditions have been greatly ameliorated. But immense responsibilities still lie upon a Liberalism which is conscious of its mission. With some of those responsibilities subsequent chapters will deal.

This short retrospect cannot be closed better than by quoting another passage from one of Mr. Zimmermann's illuminating essays. Writing on "Three Doctrines in Conflict," he says: "What, it will be asked, is a commonwealth? A commonwealth is a community, designed to meet the common needs of men, founded on the principle of the service of each for all. . . . Since the spirit of man was formed for wisdom and judgment, for responsibility, initiative, and self-control, since man without liberty is a

being bereft, as the poet has said, of half his manhood, the perfect Commonwealth, the ideal towards which all political and social endeavour moves forward, is a society of free men and women, each at once ruling and being ruled, each consciously "giving his service for the benefit of all." That is the ultimate object of Liberal endeavour, and if Liberalism to-day but keeps that aim in front of it, it need not fear lest its usefulness should be exhausted.

THE MASTER PROBLEM

FAITH without works is dead. Principles, unless translated into practice, remain a dead language. And it is now time that we turned from our study of Liberal theory to its application in the terms of modern needs. Where does Liberalism stand to-day? What hope of solution can it offer to the riddles of external and domestic policy which throng us on every hand? In what spirit, with what equipment, is it facing the new world? What tasks are imposed upon it if it is loyal to its historic mission?

In attempting to answer these questions I propose to reverse the order followed in the first part of this book. For to-day there is one master problem which dwarfs and dominates every other. And that is the problem of world reconstruction. Beside this all other issues pale into insignificance. By this every proposal of political or social reform is conditioned. To the man in the street "foreign policy" may still seem a matter of distant concern. But as a question of plain fact it is a matter of bread and butter. If foreign policy is conducted on the lines of pacific internationalism, then there is some hope that we may be able to put our own house in order. If it is hesitating, vicious, or misdirected,

then every dream of internal betterment is destined to disillusion. To a Liberalism possessed of a proper sense of perspective this must appear the key problem and the answer to it the first object of its quest.

Before the war (let us candidly admit it) foreign policy occupied but a small place in the thought and energies of the Liberal Party. I am not speaking here of the members of the Cabinet who had access to information inaccessible to the public, and were only too acutely aware of the menace threatened by Germany's preparations. I am speaking of the mass of men and women of whom the Party was composed. And for them foreign policy, frankly, was a side issue. Liberal platforms, Liberal newspapers for the most part ignored it, and the rank and file, preoccupied with questions of political and social reform, were impatient of interruption. When the war came upon us it seemed a bolt from the blue. The majority of Liberals, thinking of the domestic harvest, had failed to perceive the cloud, no bigger than a man's hand, which was swelling to such ominous proportions on the horizon.

The war, indeed, cut us all adrift from our old moorings and taught us that the isolation on which we had relied was a fiction. In blood and tears, in sorrow, humiliation, and exaltation we learned that Britain was a part of Europe, and that "foreign affairs" were our most tragical concern. But since the Armistice, and still more since the ratification of the Peace Treaty with Germany, industrial disputes, economic problems, and political quarrels have combined to thrust "foreign affairs" into the background once more, and, with a sigh of

relief, we are tempted to fall back into our old indifference.

That the Liberal Party should resist this temptation is not only essential to its own existence, but necessary to the hope of a better world. As Mr. Asquith has pointed out, it was under the leadership of a Liberal Government that the British people went to war, and in loyalty to the most sacred of Liberal principles that they spent their blood and treasure. But (in a now hackneyed phrase) though the war has been won the peace has still to be gained. The Paris Conference has utterly failed to secure the settlement which was anticipated at the time of the Armistice, or to reap the fruits of the sacrifices so lavishly made on behalf of the world's pacification.

And here a word must be said in criticism of Liberal leadership. The Peace Treaties it allowed to pass without a word of criticism; the Russian war it permitted to proceed for many months without raising its voice in protest. And though the self-denying ordinance thus imposed was adopted with the most patriotic motives it has damped down Liberal enthusiasm throughout the country. The right note was indeed struck at Paisley, but it would have sounded with infinitely more effect a year before.

For what is the situation with which statesmanship has to cope to-day? When we cast our eyes beyond our own narrow borders; when we extend our view and attempt to envisage the Far and Middle East, even imagination boggles at the prospect. Civilization as we have known it is on the verge of collapse; in some areas the collapse has actually taken place. Before the war the citizen of Europe depended for

his comfort, his convenience, nay his very existence, on a vast and most delicate machine. Probably he never noticed the machine, for the simple reason that it worked with such miraculous smoothness. To-day the machine has broken down. The war has thrust into it not a spoke, but a crowbar, and what the war began the "Peace" has consummated.

Transport is disorganized or non-existent. Credit is in chaos. The exchanges run up and down like the thermometer of a fever patient. Over large areas starvation numbers its victims by the thousand, and typhus stalks sombrely in the wake of famine. Production has fallen alarmingly—in some districts to zero—and in the depreciation of the European currencies the normal processes of commerce are almost at a standstill. Sir George Paish does not exaggerate when he declares that the world is faced with "a complete breakdown of the exchanges, of credit, of commerce, and of trade, a breakdown which would mean starvation to the inhabitants of practically every great city in Europe, as well as death by revolution and anarchy of a large part of the people of the rural districts."

Are we not justified, in these circumstances, in calling the problem of world reconstruction the master problem and asking, in the first instance, what solution may be suggested by the application of Liberal principles? If Liberalism has nothing to say on the question, then, indeed, it may be dismissed as a creed outworn. If it can do nothing but hold up its hands in horrified amazement, and has no practical and remedial proposals to offer, then it may as well consent to its own extinction and prepare for burial.

That Liberalism has something to say on the matter, and that this something is vital to international salvation, is my own firm conviction. And in the two succeeding chapters I propose to discuss the actual proposals which it is called upon to put forward. But let us at this point be under no mistake. The theory of the continuity of foreign policy may be congenial to the permanent official, but if it blinds the public to the essential difference which exists between the two main schools of political thought, it is fraught with the gravest peril. In the foreign, as in the domestic, sphere Liberalism is guided by certain general principles, and those principles can no more be reconciled with their opposites than Protection can be with Free Trade.

Party labels, it is true, may be misleading, so that we find a Lord Robert Cecil described as a Conservative, while a Winston Churchill is still ticketed as a Liberal. But fundamentally the divergence between the two views is palpable, and to ignore it can only lead to confusion. Never was it more necessary than it is to-day for the Liberal Party to get back to first principles and to apply to the vexed problems of international policy the tenets of its historic creed. Central Europe, Russia, the East, are alike clamouring for the healing hand of Liberal statesmanship. To hold out that hand, and both to preach and to practise a policy of appeasement, is among the first duties of Liberalism to-day.

XI

LIBERALISM AND THE LEAGUE

ASSUMING that there is such a thing as a "Liberal" foreign policy, and recognizing in world reconstruction the master problem, we have next to ask what practical demands are made upon Liberalism to-day in its international aspect. In an earlier chapter it has been remarked that: "Running through Liberal policy there have been two distinct (and apparently inconsistent) tendencies. The first has sought to restrict the interference of this country in foreign affairs to a minimum, and has preached a doctrine of 'splendid isolation.' The second has passionately espoused the claims of 'peoples rightly struggling to be free,' and has been inclined to go crusading on behalf of popular liberties throughout the world." Can these two tendencies be reconciled? Are they as antithetical as they appear? Or is it possible by what Sir Henry Jones has called "the concurrent endowment of ideas" to effect a synthesis?

Such a reconciliation can be found in one thing alone—the League of Nations. If we can realize and develop T. H. Green's hope of "an international court with authority resting on the consent of independent States," and at the same time provide the opportunity for the expression of "group"

aspirations, then these two tendencies will be fused in one. It is true that the League must rest upon some ultimate sanctions of economic and military force, and that its members must be prepared to intervene in the last resort in order to vindicate its authority. But such intervention would be neither isolated nor spasmodic. It would be the intervention of the League as a rational and co-operative body necessitated only by the demands of world-justice.

We may fairly claim, therefore, that the League of Nations represents the application of Liberal principles to international relations, and we may ask of every Liberal that he should give it his enthusiastic support. But the League as at present constituted falls far short of the ideal. It was born, a weak and sickly infant, in the hostile atmosphere of Paris, and it bears upon it the marks of its mixed parentage. It was ushered into a diplomatic world which had no use for it, and many of its ostensible guardians would fain have strangled it at birth. If it survives, if it is to grow to the full stature of its manhood and fulfil the hopes which have been founded upon it, it will need not only to be nourished, but educated by the force of popular opinion outside.

It should be the task of Liberalism not merely to strengthen the League by all the influence at its disposal, but to work unceasingly for such amendments in its constitution as are called for. The first and most obvious criticism of the organ which has been set up at Paris is that it is a League of Governments rather than a League of Peoples. Neither in the Executive Council nor in the Assembly is there a breath of popular representation.

In this at least we may learn from the German Government which, in its draft constitution, proposed that the Assembly should take the form of an international Parliament, elected by the democracies of the various States concerned. As Liberals, we are bound to press for the introduction of the representative element. It is the Peoples who are most intimately concerned in the operation of the League, and it is the Peoples who should say in what form it shall be built. To leave the whole machinery in the hands of Governments and officials must cut at the very roots of the League idea and reproduce the old tragi-comedy of the "Concert of the Powers."

Secondly, we must demand that the League shall become, not merely a "League of Victors," but a League of Nations. Until Germany and Russia have been brought in it will remain a war alliance. The objections which have been raised against this proposal are both natural and obvious, but we have to shake ourselves free of the war-mind, and face the facts with cool sincerity. While Germany and Russia remain outside the League, Europe will be divided into two armed camps. The two Powers which have been excluded will be driven together by a common interest, and the Allies will be forced to maintain the attitude of "the strong man armed." This condition of affairs would prove fatal to enduring peace. As a writer in the *Manchester Guardian* put it some months ago: "If, as is natural, those States are looked at askance by the States conferring at Paris, would it not seem safer to associate them with this new experiment on terms which bring them clearly into the international survey, rather

than to leave them to fester and intrigue in outer darkness ? Safety declares for as full an internationalism as can be got, and for the excision of war preferences and war exclusions from the structure of the new world-order."

Thirdly, Liberals should concentrate their attack on the principle of "unanimous decision " which has been accepted in the Covenant. As matters now stand it is possible for the representatives of a single State, either in the Executive Council or in the Assembly, to hold up the action of the rest by the interposition of their veto. It is obvious that such a principle must hamper—almost fatally—the usefulness of the League. For the time being, perhaps, the provision is necessary in order to meet the fears of certain members. Liebknecht once observed that "the future must be the legitimate child of the present," and it is no good attempting to legislate too far in advance of general opinion. But, none the less, the "liberum veto" is a root defect in the Covenant, and, sooner or later, it will have to go. In the meantime we must conscientiously work for such a development of the international mind as shall render the introduction of majority rule into the League not merely desirable but practicable.

Fourthly, we must urge that more adequate machinery should find a place in the constitution of the League, by which dissenting racial minorities within the constituent States can bring their grievances before the bar of international opinion. A century ago the diplomatists at Vienna imagined that the map which they were so assiduously planning out would last for all time : within ten years it was

beginning to crack, and within fifty it might have been rolled up and put away. If European statesmanship to-day is guilty of a similar error it will suffer a similar retribution. As it stands, the Covenant makes some provision, it is true, for the reconsideration of territorial changes, but this provision is halting and half-hearted.

The League, it is understood, will act as guarantor of the religious and civil rights of minorities within the newly-created States of Europe, and it may well find that this is one of the most important of its functions. But the Covenant, in its present form, leaves scant room for evolution, and seems fearful of infringing on the rights of individual State sovereignty. As, however, the international conscience develops, it should be found possible to make the League a general Court of Pleas, before which any group may lay its claims in the sure hope of a fair hearing. Towards that end the Liberal element in all the constituent countries must indefatigably labour.

Fifthly, Liberals must view with the gravest anxiety the formation within the League of individual Alliances, such as that which is proposed between Great Britain, France, and America. Many plausible arguments can be urged in favour of this "Treaty of Guarantees," but it argues a real distrust of the League of Nations, and sets an example which other States may be expected, only too readily, to follow. "This great disentanglement of all alliances," said President Wilson on his return to New York in March of last year, "is now to be accomplished because one of the covenants is that no nation shall enter into any relation with another

nation inconsistent with the covenants of the League of Nations. Nations promise not to make combinations against each other. Nations agree that there shall be but one combination, and that is the combination of all against a wrong-doer." It is claimed that this particular Treaty is purely defensive in its character, and that it will be submitted to the League for approval. But as to that, it is to be noted that the signatories have significantly enough released themselves from the principle of "unanimous decision," and that no Alliance has ever been represented by its members as aggressive. Should America, as seems probable, refuse to commit herself to the Triple Pact, the arguments against a "Dual Alliance" of the old type will become even more cogent. The only safe principle for Liberals to adopt is that of "No alliances within the League," and by that principle they should be prepared to stand.

There are two last points of paramount importance on which a few words must be said. These are the questions of disarmament and equality of trading conditions. The Covenant offers a pious declaration as to the reduction of armed forces to limits consistent with national safety, but it fails to formulate any actual proposals. Moreover, it is conspicuously lukewarm in its advocacy of the international regulation of the manufacture of ammunition and material. If the League cannot secure a general and immense reduction in the scale of national armaments it will fail in one of its prime purposes. And here it may be observed that our own statesmen appear to be under a complete delusion as to the meaning of "reduction." Mr. Chamberlain, for example,

has told the House of Commons that we are "leading the world in disarmament," and this statement has been echoed by other Ministers. But, as Major-General Maurice has pointed out, "What the man in the street means by reduction of armaments is a reduction in the *pre-war* burden which he helped to bear." Our naval estimates alone are treble what they were in the year preceding the war—and this with the German Fleet at the bottom of the North Sea. As to the Army, it is clear from the most recent estimates that even when demobilization is complete, we shall have a larger force on full pay than in the year 1913-14, while as regards the Air Service, the Government has budgeted for the not insubstantial sum of fifty-seven and a half million pounds.

Even when all allowances have been made for increases in pay and the higher cost of all materials, it is manifestly ridiculous to assert, in such circumstances, that we are setting an example in disarmament to our Allies. Liberals who believe in the League of Nations should press for the interpretation of "reduction" in a form less open to challenge, so that Great Britain, within the League, shall be able to urge a full and adequate measure of disarmament upon her fellow-members. For the time being, any such claim is likely to meet with contemptuous indignation.

Lastly, the Covenant fails to establish equal trading opportunity for all members of the League, even as regards "mandated territories." It recommends, indeed, that such conditions should be "equitable," but "equitable" is a very different thing from "equal." As every student of inter-

national politics knows, discriminatory tariffs have proved in the past one of the most fruitful causes of war, while the policy of "the open door" in oversea possessions offers the only secure guarantee against exploitation and exclusion. The ideal of international Free Trade may not yet be practicable, but it is surely possible that the several members of the League should pledge themselves to apply equal treatment, in the matter of tariffs, to all the rest. This proposal was embodied in President Wilson's Fourteen Points, but, like many another, it was smothered in the atmosphere of the Paris Conference. In the "mandated" territories it is specially necessary that there should be equal commercial opportunities for all comers. But the necessity does not end there. Free Trade, as Bright and Cobden urged, is one of the most effective inducements to peace, and even "equal trade" would do much to soften international relations. The work of the Supreme Economic Council during the war demonstrated the immense advantages of a common policy. Is it not possible to carry over this machinery into the Peace and, coupling it with equal trading rights, to establish it as one of the chief activities of the League of Nations ?

If the constitution and objects of the League of Nations are modified along these lines, then we may confidently look to it as the surest guarantee of the world's peace. At the time of writing it remains uncertain whether the United States (with or without reservations) will accept the obligations of membership, but we may legitimately hope that, later if not sooner, the great democracy of the West will take her share in the enterprise of "making

the world safe for democracy.” At all events it is for Britons—and in particular for British Liberals—to see that their country takes the lead and puts the League of Nations in the forefront of its international policy.

XII

A LIBERAL FOREIGN POLICY

THE League of Nations is important merely as a piece of machinery. It is still more important as a symbol. And Liberalism must not only welcome it as a means to the settlement of international disputes, but allow it to dominate the whole conception of foreign policy. At the moment Allied diplomacy seems to regard the League much in the same way as the average man regards Providence. It runs to it only when it is in a difficulty. It flatters itself that it is competent to settle both the scale and character of reparation; to conduct such delicate negotiations as those which provoked a crisis in the relations of its several members over the Ruhr dispute; to parcel out the erstwhile German colonies and arrange the mandates for Mesopotamia, Palestine, and Syria—all without so much as lifting its hat to the League. But when it is faced with the Armenian problem it turns to the League and says, "I leave it to you, partner."

This ambiguous attitude cannot be maintained. Either the League is the most potent factor in international relationships, or it is nothing. And the Allies will find it impossible to separate their problems into two watertight compartments, labeling one "Foreign Policy" and the other "League

of Nations." The attempt was made during the Paris Conference; and the results speak for themselves. It was thought that by giving President Wilson his Covenant and allowing M. Clemenceau to have his way in the dictation of the Peace all parties would be satisfied. Like many of the calculations of "political strategy" the scheme went wrong, and, while America has withdrawn from effective participation in the League, the Peace has proved no peace. Neither Allied nor British statesmanship can have its cake and eat it. It must make its choice for the League or against. The danger of halting between two opinions is that you may fall between two stools.

A Liberal foreign policy will therefore make the League its very corner-stone, and will apply its principles to all the aspects of international dealing. The Peace of Versailles, as Mr. Asquith has declared, was not a clean peace. It was certainly not a Liberal peace. And the first task which Liberalism must set before it is the drastic revision of the settlement. But, it will be said, Britain was a member of an alliance and cannot act without the co-operation of its fellow-members. Agreed. But is that any reason why she should not, within the League, play her historic rôle of pacificator? With the support of America, Britain could have made a good peace. Her principal representative, tied by the pledges of the general election, found himself committed to a bad peace. It is for Liberalism, so far as it can exert any influence in the national counsels, to work unceasingly for the righting of that wrong, and so to impress Allied policy that America can be recaptured for the League.

In many of its territorial provisions the Peace was unjust—most notably in its refusal to Austria of the right to union with Germany. But, as Professor Keynes has made clear in his famous book, it is its economic clauses that hang heaviest round the neck of Europe. And if Europe is to be saved, both settlements will have to be recast. Here the League of Nations has a pre-eminent part to play. Were the German indemnity fixed and the Reparation Commission (strengthened by representatives of Germany and the neutral States) taken over by the League, an immense stride would at once be taken towards the restoration of normal conditions. For Germany would be given an incentive to work off her indebtedness, while it can hardly be doubted that the League would cancel the Austrian indemnity.

Were the Allied Coal Commission similarly made a branch of the League, another great step would be taken towards the recovery of European prosperity, for coal (or the lack of it) is the key to most of the ills from which the distressed areas are suffering at the present time. And were the States of Central and South-Eastern Europe, at present cutting their own throats with competitive tariffs and armaments, persuaded to form a Free Trade Union under the League, there would at least be less reason to fear the "Balkanizing" of this great area which so many competent observers predict.

To get Central Europe on its feet again should be the first object of enlightened statesmanship, for without the recovery of Central Europe not one of the Allies will find it possible to develop its own resources. It must regretfully be confessed that

where the dictates of humanity and of self-interest are in conflict the former, only too often, go to the wall. But in this case both instincts point along parallel lines. Both the philanthropist and the business man must recognize that the chaos caused by the war (and the Peace) cannot be allowed to continue without disaster. The British people are shaking off the war-mind, and it is for Liberals to help them in the process. The nations of Europe are bound up in the bundle of life together, and if one suffers all the others suffer with it.

The revision of the Peace settlement, however, cannot in itself bring recovery to these shattered areas. It must be supplemented (or, more probably, preceded) by the provision of credits. The British Government has already done something to encourage traders to resume commercial relations with these unhappy countries, which cannot obtain the goods they need owing to the collapse of their currencies. But isolated action, even on an extended scale, cannot be adequate, and here again there is a clamant call for the activity of the League. The project of an international loan, advocated by Sir George Paish and supported by Professor Keynes, has been dismissed as chimerical in some quarters. But if it could be accomplished, there can be no doubt that it would provide the most effective remedy for the disease. There is obviously work here for the League to do, and at the International Financial Conference, which has been called on its initiative, the whole problem will be thrashed out.

In such a brief review as this it is impossible to develop fully this line of thought, but enough has been said to suggest that in the pacification of

Central Europe the "re-starting of the cycle of production and exchange," and the binding up of the wounds of suffering peoples, Liberalism may find full opportunity for its energies. Not only so. The war with Russia, upon which a hundred millions of the British taxpayer's money was wantonly thrown away, was utterly repugnant to every Liberal principle, and Liberals must insist that, now that the war has professedly been abandoned, there shall be a firm and definitive peace. In the Turkish settlement and the vexed problems of the Middle East Liberalism must insist that the League of Nations shall be placed in the forefront and that such mandates as may be given to this or other countries shall not be used as a screen for exploitation. The Prime Minister's references to the oil of Mosul suggest that the desire for the trusteeship over "backward races" is not in every instance altruistic ; it is for Liberals to see that the League is not perverted to mean and selfish ends.

In Asia, again, it is impossible for any true Liberal to regard the recent record of his country with satisfaction. The shameful secret treaties, by which China was betrayed by her allies behind her back, have had their fruit in the Shantung clauses of the Peace Treaty, and, by a righteous nemesis, have done as much as anything else to alienate American sympathy from Europe. Once more, Britain is bound as a member of an alliance, but Liberals should insist that China shall be given fair play. The Shantung issue may seem remote to the man in the street, but we may well remind ourselves that the Great War itself sprang from an obscure Balkan quarrel. The world is one, and a wrong done in

Asia will, sooner or later, have its repercussions in every country in Europe.

If the League is to play its proper part in the creation of a new world order, and if Liberal principles are to become fully effective in foreign politics, America must be regained. The disillusionment of our great associate and her withdrawal from any effective partnership in the common world enterprise is one of the great tragedies of history. The breach is already wide—too wide—but given a new outlook on the part of Allied statesmanship and it may still be bridged. Into the causes of the estrangement I cannot pause to enter here. With one of them I shall deal in a later chapter. But if Liberalism can reassert its influence in the councils of the State, and succeed in harnessing the immense powers of this country to the chariot of the League, there is yet hope. Here, as elsewhere, it is the League, and the spirit for which it stands, that is the key to the problem.

I may lay myself open to the charge of party spirit in claiming the League as the interpretation of Liberal principles. For the League itself stands outside and above party, and must claim the support of every citizen of goodwill. But it is not unfair to say that while historic Toryism is tainted with the spirit of an aggressive and expansionist imperialism, the "internationalism" of continental Socialism is based upon the war of classes. Midway between the two stands Liberalism, seeking not to denationalize but to internationalize, patriotic but recognizing that "patriotism is not enough," and finding in the League of Nations the logical development of the creed in which it has been cradled. And in this sense it is a "Liberal" foreign policy that alone

can lead us along the paths of international and domestic peace.

I have spoken of the motives of foreign policy. A word must be said on its methods. During the war and since the demand for "democratic control" has grown in volume, and it is a demand to which Liberalism is bound to listen. Ultimately "democratic control" must be conditioned by the willingness of the democracy itself to "think internationally," and to take an interest in foreign politics no less intimate than that which it devotes to the more immediate questions of domestic controversy. But, given that awakened interest, there are several reforms in the machinery of government which may make the control more effective. The creation of a Foreign Affairs Committee for the House of Commons; the submission of all treaties, agreements and understandings to Parliament; more frequent and more frank statements of policy by the Foreign Secretary; and the democratization of the Diplomatic Service—each of these, in its own way, would do much to bring foreign affairs more closely into touch with the man in the street. Unless and until the British people realize that foreign politics, in the deepest sense, are home politics, all such modifications of machinery must prove barren. But "trust in the people" is in the marrow of Liberal thought, and it remains for modern Liberalism to give expression to that confidence in the foreign field.

XIII

THE RESTORATION OF PARLIAMENT

I

AT home the first and most paramount task of Liberalism to-day lies in the restoration of Parliament. Parliament is at once the centre and the symbol of the commonwealth. It represents (or it should represent) all classes, all sects, all groups, all interests, all localities within the community. It is both the heart and the brain of the national organism, and if it is weakened or impaired the whole body must suffer. The Parliamentary system—the system by which a majority, constitutionally elected, determines the policy of the country such time as it remains in power—is of the very essence of Liberal doctrine. The Liberal party is a Parliamentary party, and it cannot, without treason to its past, stand by and watch the decay of representative institutions. If the Parliamentary system goes, our country will be plunged into a struggle of competing forces, and the strongest will hold society to ransom. There can be no real democracy save through the House of Commons and its subordinate bodies, and those who dream otherwise are hugging a *de usion*.

We have to recognize, frankly and fully, the peril in which Parliamentary institutions stand

to-day. The repute of the House of Commons has rarely been at a lower ebb. The credit, the authority, the good faith of Government have seldom been so generally suspect. The minds of all classes are insensibly turning away from "the talking-shop" and interesting themselves in other and apparently more immediate matters of concern. Ministers themselves hardly trouble to conceal their contempt for the House, at whose good pleasure they hold the reins of office. Members seemingly attach so low an estimate to their responsibilities that for the most part they confine their attendance to the smoking-room and the division-lobby. Parliament seems tired of itself, and even the peril of losing the last vestiges of its prestige can hardly shake it from its lethargy.

Throughout the last decade, moreover, there has been an increasing tendency among various sections of our people to set Parliament at defiance. The outrages of the suffragettes, the "contingent rebellion" of Sir Edward Carson and his Covenanters, were signs of a growing belief in the cult of force. It is impossible to estimate the injury which was done to representative institutions by these two movements, and still more by the enthusiastic support which one of the great parties in the State lent to the latter. The tendency, thus suggested, has been immensely accelerated by the war. War itself is violence, and it breeds a natural impatience of slower methods. Every section in the community which feels itself aggrieved is thinking of the leverage which it can exert upon the public rather than the pursuit of its objects through the regular channels of constitutional agitation. The Triple Alliance,

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composed of the railwaymen, the miners, and the transport workers, has definitely committed itself to the principle of "direct action" for political ends, and though the Trade Unions Congress has rejected the proposal for the moment, it will obviously come up again when circumstances are more propitious.

Liberalism, at all events, must fight this tendency to the knife. It cannot admit either truce or compromise. It has, throughout, been the trustee of Parliamentary institutions, and it cannot allow them to be undermined without betraying its most vital principles. "Direct action" is the most dangerous, as well as the most specious, foe which democracy has met for many years. It comes, whispering of a larger liberty and a more generous freedom. It tells the workers that Parliament will never give them what they want, and that the strike will prove a short cut to the achievement of their desires. It speaks in the name of a better world and a new and more Christian order. But for all that, its voice is the voice of tyranny. The merits of particular demands are not in question. Once admit that a group within the commonwealth may legitimately hold the rest of society to ransom, and there is an end of democracy. If this principle is accepted, there will be no rule but that of the strongest, and the commonwealth will be broken up into a number of warring factions, the most powerful of which will dictate its orders to the rest. This is oligarchy of the most pernicious sort, and Liberalism, which has always fought monopoly as the evil thing, cannot do other than battle with it to the death.

This is not, however, to say that Parliamentary institutions in their present form are ideal, or that there is no need for radical reform. Merely to inveigh against "direct action," without making any effort to render Parliament more truly representative, would be waste of breath. There is too much truth in the criticisms of "the talking-shop," and too much reason for the disrepute into which Parliamentary government has fallen. It is impossible to dispute the disadvantages which attach to the party system. They are patent and obvious. But, none the less, the present condition of affairs should be a warning of what we may expect if the party system is permanently destroyed. Its only alternatives are a "tied Parliament" such as that which was returned at the last General Election, or government by groups, assorting and re-assorting themselves in various combinations. It is clear that of these alternatives the former can be only temporary, while experience of Parliamentary conditions on the Continent demonstrates the political instability created by the latter. The party system, with all its defects, provides an administration with a stable majority, and enables it to carry through a consistent and coherent programme; it offers, in the shape of a regular opposition, an alternative Government to which both the House and the electorate may turn in case of need; it stimulates the maximum of public interest in political affairs; and it accepts the real temperamental difference which will always divide men into two main groups.

For these reasons the suspension of the party system has been an almost unmitigated misfortune for the country. The system of "coupons" under

which the last election was conducted was incompatible with any Liberal principle, and the pledge of unconditional support demanded by the Coalition Whips was an outrage on the independence of members. An unfree Liberalism is a contradiction in terms, and a Coalition Liberalism must, in its very nature, be unfree. During the war, when domestic issues were in abeyance and the entire national effort was concentrated upon victory, a Coalition Government may have been desirable. There are, it is true, good grounds for arguing that Mr. Asquith and his Liberal colleagues would have been better advised to retire from office, when the crisis of 1915 arose, and to lead a patriotic, though critical, opposition. But be that as it may, now that the abnormal conditions of a state of war have passed away, and the questions of political and industrial policy are re-asserting themselves, Coalitionism is fatal to political sincerity. The numerous occasions on which Liberal Coalitionists have been compelled either to vote for or to pass by default measures utterly inconsistent with Liberal principles are proof enough of this, while the spectacle of a "Liberal" Prime Minister striving, by hook or crook, to keep out of the House of Commons candidates selected by the local Liberal Associations brings political life itself into contempt. In the break-up of the Coalition, and the re-assertion of the normal lines of political division, at least a step would be taken towards the recovery of Parliament and the removal of the reproach under which it at present rests.

This, however, is only a preliminary consideration. During the latter stages of the war,

and for the first ten months after the Armistice, the Cabinet system was in abeyance. A return was made to the older system of government by departments, which was in vogue at the beginning of the eighteenth century. There was no co-ordination of policy; no correlation of expenditure; no common clearing-house for ideas and programmes. While the War Cabinet formed a "junta" or "cabal," each department became a law unto itself, Ministers were permitted to enunciate doctrines entirely incompatible with the statements of their colleagues, the country had no idea of the course along which it was being driven, and the Prime Minister was compelled to rely upon his gifts of "political strategy" to avoid disaster.

It was announced some months ago that this system was to be abandoned, and the list of a full Cabinet, on the familiar lines, was published in the press. But, up to the present, there has been little sign of change. Departmentalism continues, Ministers contradict one another with as blithe a carelessness as ever; and the most important issues of policy seem to be decided either by individual ministers, in conferences with affected interests outside, or by an inner camarilla. This system (or lack of system) must end if Parliamentary institutions are to be redeemed. It is sapping the very foundations of political life. The prompt restoration of real Cabinet Government, with its corollary of collective responsibility, is the second step on the road to Parliamentary revival.

XIV

THE RESTORATION OF PARLIAMENT

II

IT may be objected that the two remedies indicated in the last chapter represent merely a return to the *status quo*. Such indeed is the fact, but in this case we have got to go back before we can go forward. These are only the first steps towards the recovery of Parliament. A Liberalism which is worthy of its name and conscious of its traditions must offer some more constructive programme, if it is to save the representative system. The political machine must be drastically overhauled if it is to be accepted by our people as an effective security for their liberties.

Along what lines, then, must Liberalism advance ? In the first place the Liberal Party must make the demand for devolution one of the cardinal points in its programme. The House of Commons is overloaded with a mass of detail which does not properly concern it and which takes both its time and its attention from its proper duties. The problem of Ireland must be postponed for separate treatment, but, without prejudice to that vexed question, let us determine that subordinate legislatures for England, Scotland, and Wales alone can relieve the Imperial Parliament of its present congestion and set it free for the larger matters of policy. It

may be that it would be wise to extend the principle even further and to divide England, and perhaps Scotland, into areas, in each of which a subordinate legislature would be established, but that is a matter which may be left open for the moment. The important point is that Liberalism should adopt the policy of "Home Rule all round" as an integral part of its programme, and fight for it without rest or compromise.¹

Secondly, it is imperative that Liberalism should accept the principle of "proportional representation" without further cavil or delay. There exists, unfortunately, a difference of opinion on this point, and the scheme of limited "P.R." which was recommended by the Speaker's Conference was killed partly through the efforts of Liberal members. But this was a most serious misfortune. The results both of the last general election and of some recent by-elections should bring home to even the most conservative of Liberals the anomaly of the present state of affairs. The Government majority was out of all proportion to the size of its poll in the constituencies, and in many cases a member was returned by a definite minority of votes. This condition of things makes a mockery of representation. Minorities, which have a claim to make their voice heard in the national counsels, are silenced; reactionary candidates are returned owing to a division in the progressive votes; and the House of Commons becomes an altogether false reflection of the state of feeling in the country. Until this abuse is remedied it will be impossible to claim for Parliament the

¹ These paragraphs were written before the Report of the Speaker's Conference.

reverence which is its due or to declare that the representative principle is fully operative.

Thirdly, it is necessary that the question of the Second Chamber should be finally settled on a democratic basis. The House of Lords (still unreformed) has the power to hold up the legislation of a progressive Ministry for three sessions, and thus to hamper its activities at every turn. This check does not operate on the opposing party, which may count on a clear passage for any measures which it may see fit to introduce. The precise constitution of the Second Chamber—even its existence—is a matter for debate, but I am convinced that Liberalism cannot afford that it should continue on its present basis. It is indeed possible to question the desirability of having a Second Chamber at all. Already the House of Commons exercises absolute power in foreign and colonial affairs and in matters of finance. These three spheres of influence are precisely those where the risk of ill-considered action is the greatest, but we have yet to learn that the nation has suffered through the supremacy of the Lower House. If, however, it is thought necessary to preserve a revising chamber for matters of domestic legislation, then it should be appointed on a democratic franchise, its powers should be restricted to those of delay, and the hereditary principle should be swept away once and for all.

Another question of importance is raised by the increasing power over the private member which the Cabinet and the caucus have assumed in recent years. This, of course, is not a matter for legislation, but it is none the less one which every Liberal should seriously consider. The private member is

more and more becoming an automaton, voting in accordance with the instructions of the party whip and bound by the rigid ties of party organization. This state of affairs constitutes a grave menace to Parliamentary freedom, and sooner or later will exile every man of intellectual self-respect from the House of Commons. The remedy here lies with the party in the constituencies. It should not ask of its representative that he will toe the line, irrespective of his convictions, but it should give him a wide latitude of personal decision. Once it has assured itself that he is "right" on general principles and is a man of integrity and public spirit, it should not attempt to fetter him too severely in matters of detail. The member of Parliament should be a representative, and not a delegate, and something more should be required of him than a docile obedience to the party whip. At the same time Liberals should watch with jealous eyes the encroachment of the executive on the rights of private members and should resist every proposal which seeks to extend its powers at their expense.

Finally, Liberalism should make a stand on the question of the party funds. However exaggerated may be the wholesale charges of corruption which have been made in this connection, it is an indubitable fact that many an honour is conferred, not on grounds of real merit, but because its recipient has contributed largely to the party war chest. It is impossible to discover the extent of the abuse, for no balance-sheet of the party funds is published, but that such an abuse exists no honest man can deny. It is bad enough that the fountain of honour should be thus polluted, but it is even worse that men of large

means should be able to purchase a share in the direction of public policy. No word of criticism need be said of any man—whether he belongs to the Liberal, the Unionist, or the Labour Party—who contributes out of his personal resources to the propaganda of his political faith. He has every right to do so, and there is no need for him to be ashamed of his benefactions. But if he be single-minded in his contribution, he can have no objection to the publication of his name. I would urge that the most fundamental of Liberal principles demand that balance-sheets of the party funds should be published, and that the names of all candidates for honours should be submitted to a committee of the Privy Council. Only so can this flagrant abuse be remedied, and politics cleansed of an ugly and ill-seeming taint. There can be no doubt that the present honours system lies at the root of much of the suspicion with which the Parliamentary machine is regarded. Its reformation would be a long step towards the recovery of public confidence. If British Liberalism cannot go to the length of the democracies overseas, in sweeping titles off the slate, it can at least see that titles are conferred only where they are deserved, and that no man, by mere virtue of his wealth, can buy an influence in party counsels.

Such a programme as has been suggested would go far to rescue Parliamentary institutions from the disrepute into which they have fallen. It would, moreover, be in keeping with the highest Liberal principles, and would be in the true line of Liberal policy. But two points more. In the first place, let us remember that Parliament cannot do everything, and that to expect it to create a new heaven

and a new earth can only end in disappointment. Parliament can set the mould in which the national life will run ; it can remove many injustices, and right many wrongs. But it cannot do more than give every citizen the opportunity of self-development. The ultimate question in national well-being is a moral one, and upon the character and the self-reliance of the individual citizen the strength of the commonwealth must rest. And, secondly, the authority of Parliament must ultimately depend upon the spirit in which men undertake its duties. If the highest conception of statesmanship is that of "political strategy," then we may well despair of Parliamentary institutions. Democracy will secure the governors which it deserves, and with it will lie the responsibility if they are petty, or rash, or corrupt. The roots of the decay of the House of Commons are to be found in the lowering of the conception of public service, and until the charlatan and the demagogue have been forbidden its doors, Parliament cannot take its rightful place as the highest expression of the national soul.

XV

THE RESTORATION OF PERSONAL LIBERTY

NEXT to the restoration of the authority of Parliament, the most immediate task confronting Liberalism lies in the restoration of individual freedom. Under cover of war necessity the British citizen has been robbed of many of his most cherished liberties. He is no longer free to speak, to think, to write, to trade, as his conviction or his interest may dictate; he no longer even lives under the rule of law. He is enmeshed in a network of restrictions, some of them of the most dubious legality, which restrict his liberty of movement at every turn. The Defence of the Realm Act, popularly known as "D.O.R.A.," has conferred upon the executive powers over the lives of British men and women which no free commonwealth in normal circumstances can tolerate. It may be that these powers were necessary for the successful prosecution of the war. So far as some are concerned this contention is more than dubious, but that question now lies in the past and we need not concern ourselves with it here. What Liberals have to recognize is that, more than a year after the Armistice was signed and many months after the signing of peace with Germany, many of the liberties fought for and won

by their forefathers no longer exist. We are not, to-day, a free people. We do not live under a system of pure Parliamentary Government. We are still under the tyranny of a war machine, the excuse for which vanished months ago.

It is clear, from many indications, that the Government does not intend (save under pressure) to surrender the powers which have been conceded to it. The appetite grows by what it feeds upon, and bureaucracy having once got its strangle-hold on the national life is not prepared to relax it without a struggle. Unless Liberals are alert and awake, the special privileges which were granted to a war administration will be carried over as a permanent part of our peace machinery. "D.O.R.A.," it is true, may go. In part, she has gone already. But the Government shows on every side a tendency to avail itself of powers beyond those of the normal processes of law, which must be closely watched.

A few examples will illustrate this point. In the original version of the Transport Act it was proposed to give power to the Minister of Transport to purchase, or control, or alter the working of national undertakings by mere Order in Council. This obnoxious clause was subsequently dropped, owing to opposition in the House of Commons, but sufficiently vague powers have been left to the Minister to indicate the way in which the Government's mind is working. The import restrictions, again, which were imposed purely as a war measure under an old Act of last century, were retained until September of last year, and though, thanks to Sir John Simon's threat to challenge their legality in the courts, and the bitter resentment of the business

community, the bulk of them were then withdrawn, some (and not the least obnoxious) were maintained until Mr. Justice Sankey's recent decision ruled them out of order.

The Government, however, still proposes to retain for the Board of Trade powers to discriminate in the matter of imports which were never conferred upon it by Parliament, and to introduce a system of practical Protection by a sort of sidewind. In its Anti-Dumping Bill, moreover, it has threatened to introduce a system of bureaucratic interference with trade, unknown even in the most highly-protected countries. Another example of this tendency to override the law is provided by the procedure adopted by the Home Office in deporting without any form of trial Russian citizens, resident in this country, who might be suspected of Bolshevik tendencies, while on several occasions the police have been instructed to use the old powers of "search by general warrant" which most of us believed to have been finally destroyed in the eighteenth century.

Nor is this all. Government to-day is seeking to control public opinion, in a manner unknown before, through the medium of the Press. Early last year it was decided that the old War Aims Committee should be resurrected and turned on to disseminate "sound information" on questions of general policy. Although this decision was subsequently abandoned, there remains an increasing tendency to "dope" the public with specially edited accounts of political events which will be read as ordinary "news matter," and the independence of the Press is thus being steadily undermined.

Ministers now have their own newspaper organs, or are on terms of such intimate relationship with large newspaper proprietors that the freedom of the pressman has been seriously jeopardized. During the war it was considered necessary to preserve the national moral by the studious cultivation of the newspapers, and the Press (generally speaking) was almost as "inspired" as that of Germany. It is essential, if the public mind is to form its own unprejudiced opinions on questions of the day, that this "spoon-feeding" should cease, and that the Government should steer clear of the dangerous waters of Press publicity.

A still more serious question is raised by the revelations made last summer as to the activities of Scotland Yard in "spying" upon our workpeople. It has been admitted by the Home Secretary that men have been employed for the specific purpose of going among the workers and ferreting out any tendencies which may be regarded as dangerous by those in authority. These men, as often as not, have acted as "agents provocateurs," and have actually incited their unsuspecting fellow-workmen to indulge in revolutionary language and methods.

No more poisonous policy can be imagined. These men are paid, on "piece rates," for the information which they secure, and it was alleged in the House of Commons that one of them had actually been following about one of the most trusted of Labour leaders in order to discover some grounds on which he could be silenced. Liberalism, if it still possesses any of its old tradition, must fight this noxious system to the knife and reveal it for what it is, as one of the worst symptoms of the decay of liberty.

The repeal of "D.O.R.A." and the abandonment of the rule of Orders in Council must be one of the first planks in the Liberal platform. There are plenty of folk who still believe that the public should be drilled and dragooned and regimented into a proper way of thinking. They profess to be afraid for truth, and are nervous lest error, given a fair field and no favour, should make headway. No worse fallacy can be imagined. Democracy may, indeed, make mistakes, if every man is allowed to hold and to preach such opinions as he may believe to be right. But it is only by such mistakes that it can learn. Truth gains nothing by being swaddled, and cosseted, and protected. It needs the fresh air of open discussion, the biting wind of criticism, the bracing breeze of perpetual challenge if it is to have any moral hold upon the commonwealth. This has been the ground of all Liberal faith, and no Liberal who is true to his historic creed can look on passively while, under cover of an attack on "Bolshevism," an attempt is made to stifle liberty of thought and discussion. The powers given to the Government during the war were conceded for war purposes only, and it is imperative that Liberalism both in the House of Commons and in the country should demand their complete and immediate repeal.

Of all the infringements of personal liberty permitted during the war the gravest was the imposition of the Conscription Acts. Whether those Acts were in the immediate circumstances right or wrong may still be allowed to be a matter of opinion, and a considerable number of Liberals, at all events, attacked them as violating the principles which this country had enunciated when it drew the sword.

But this, again, is no longer a living issue, and it would serve no purpose to discuss it here. What is important is that Liberalism should declare itself in clear and unequivocal terms, as to the perpetuation of compulsory military service now that the war is over. The Government has intimated that it intends to ask Parliament to repeal the Military Service Acts this year, and it is improbable that any party will venture to make conscription one of the items in its political programme. None the less there are innumerable agencies which will seek, under one guise or another, to impose conscription upon the country as a regular feature of its pacific life. Liberalism has fought this battle before, and it must be prepared to do so again. If conscription, in whatever form, remains when the war situation has been finally liquidated, then one of the supreme objects of the sacrifices of the last five years will have been lost. Free service, as much as free thought and free discussion, is one of the essentials of the Liberal faith, and as such it should be preached from every Liberal platform and in every Liberal newspaper throughout the country.

XVI

THE DEFENCE OF FREE TRADE

DISRAELI, in a famous phrase, declared that Protection was not only dead but damned. His successors, with sublime if pathetic obstinacy, have refused to accept his verdict. Time and again they have exhumed the corpse, dressed it in new clothes, given it a new name, and attempted to galvanize it into fresh life. Now it has appeared as "Fair Trade," now as "Tariff Reform." At one moment it is made by its manipulators to beckon to the agriculturist, at another to the manufacturer, at another, again, to the workman looking for a job. Its capacity for disguise is almost as infinite as that of the arch-plotter in Mr. Buchan's *Dick Hannay* romances. But Liberals, like the resourceful hero of those admirable yarns, should always be able to see through the make-up.

The present moment would hardly seem auspicious for another exhumation of this venerable corpse. Our Free Trade system has been subjected to the most searching of all possible tests, and it has triumphantly emerged from more than four years of the most stupendous war in history. Not only was this country able to pay its way, without running into bankruptcy, but it found it possible also to act as the financial mainstay of its Allies and its

Dominions. It may, indeed, be said that the whole edifice of the Great Alliance rested on British credit, and that this credit was won and built up by Free Trade. More than that, the wonderful mercantile marine, which kept the Allied life-line unbroken despite the menace of the submarine, was a direct product of our Free Trade system and could never have been created without it.

Free Traders may fairly claim, therefore, that their faith has been justified, and may point to the experience of the war as a magnificent vindication of the principles which were established by Bright and Cobden three-quarters of a century ago. But more than that. At the present moment the whole world is crying out for goods. Mankind's first need is that the choked arteries of international trade should be cleared and commerce be allowed to flow freely through its natural channels. Our own statesmen tell us that in increased production alone lies the hope of national salvation, and increased production can be effected only if our industries can secure free access to oversea markets. Even in countries hitherto Protectionist the tariff is crumbling. All over the world there is a revulsion from the old doctrine of the "self-contained state," and the common people are turning to the League of Nations as the visible embodiment of a new and co-operative order.

Yet it is this moment that the Protectionist forces have chosen for a fresh assault upon Free Trade. First they secured a substantial success by the adoption of preferential duties in the Budget, and under cover of anti-dumping legislation and the protection of "key industries," they have now

proceeded to a further attack. Liberals are assured that these measures are in no way inconsistent with their principles and are asked to view the situation without prejudice. Ministers, like the servant-girl in Captain Marryat's story, attempt to defend themselves by pleading that the baby is "only a little one." It is quite true that the bargain concluded last year between Mr. Lloyd George and Mr. Bonar Law expressly stipulated that such measures should form part of the programme of the Coalition, and the Liberal wing of the Cabinet was thus committed in advance. But for that very reason it is the more necessary that Liberals who are uncompromised should work without ceasing in order that the real facts of the situation may be made clear and thus prevent Protection being fastened upon the country as a result of the war for freedom.

The general foundations of the Liberal faith in Free Trade must be obvious enough, when we remember the teaching of historic Liberal theory. As a revenue-producing instrument the Tariff violates Liberal principles because it distributes the burden of taxation so that it falls with the most crushing force upon those who are least able to bear it: because it spills so large a proportion of its yield on its way to the Exchequer and puts into the pocket of the individual manufacturer what should, by rights, go to the community: and because it depends for its ability to meet national needs upon the maintenance of that steady stream of imports which it is the professed object of its protective policy to drive away. As a means to the encouragement of national industry, the tariff is

inadmissible because it sets out to enrich the producer at the expense of the consumer and ignores the interests of the large class of men and women who are dependent upon stationary incomes : because it proposes, by an artificial stimulus, to divert capital and labour from their more productive to their less productive channels : and because it is based upon a fundamental misconception of the nature of international trade. As a means to closer Imperial Union, the tariff must be opposed, because it must lead, sooner or later, to the taxation of necessities and thus drive the lower-paid workers in this country into a bread-and-butter anti-Imperialism, and because a system of preferential duties (particularly if raw material is to be excluded from their operation) would throw an apple of discord into the midst of the British Commonwealth and introduce a competitive jealousy among its various members which would be the shortest cut to its dissolution.

These are the bare elements of the Free Trade case, and I must apologize if, in repeating them, I am covering ground which has already been so well trodden. Protection and its alias Preference are the very antithesis of the Liberal idea, for they violate all the canons of just taxation, erect monopolies at the expense of the general public, and create those "sinister interests" against which Liberalism has waged unceasing war. More than that, they must injuriously affect the whole of our Parliamentary system, and make the legislature a hot-bed of lobbying and intrigue. The proposals introduced into the Budget, and the further provisions against dumping and for the fostering of "key industries"

are the thin end of the wedge, and if they are once allowed to become a permanent part of our fiscal machinery it will be difficult, if not impossible, to eradicate them. In their nature they are dishonest and ambiguous. The preferences already given are of no practical value to the Colonies, although they will involve a loss of several millions to the Exchequer, and unless they are indefinitely expanded they cannot possibly serve the purpose which their originators anticipate. As regards "dumping," the procedure proposed in the Government's Bill would thrust a crowbar into the delicate mechanism of British trade, give to a "Regulation Committee" powers of life and death over every industry in the land, and impose upon the British consumer the high prices which may obtain, behind the protection of a tariff, in any country which seeks to trade with us. So far as concerns "key industries," the term may be applied to almost any undertaking which can secure a pull with the Regulation Committee, while, if special nurture is really required, it should rightly be given by a bounty rather than a tariff.

The case against Protection, however, is something more than economic, and it is on moral grounds that Liberals should be prepared to rally, with the greatest conviction, to the cause of Free Trade. As Bright and Cobden saw last century, tariffs are the surest encouragement to war, and a Free Trade world would be the most secure guarantee of peace. Already there has been an outcry amongst some of our Allies against the Protectionist proposals of the present Government, while the extension of the principle of preference to territories handed in trusteeship to this country under the League of

Nations has been a public affront to all real believers in the League. As Mr. Masterman pointed out in a speech some months ago, the struggle of Free Trade with Protection is one of ideas. On the one hand there is the idea of the self-contained Empire, protected and militarized, armed to the teeth against its neighbours, and ever stretching out after fresh areas for exploitation. On the other, there is the idea of a world commonwealth, knit together by free intercourse, in which trade, flowing unchecked through its natural channels, will act as a mutual benefactor. Between those two ideas there is no room for compromise. One or the other must prevail. And for true Liberals there can be no question as to the flag under which they must serve.

XVII

THE NATIONAL FINANCES¹

IN August last the Chancellor of the Exchequer warned the country that it was heading for national bankruptcy. Little more than three months later, though the annual deficit which he had originally estimated at two hundred and fifty millions was shown to be nearly double that figure, he rebuked the pessimists, and, indulging in a sort of joy-dance with the Premier, declared that there was no ground for panic. To a sympathetic House of Commons he announced that unless further expenditure was called for there would be no need for fresh taxation, and by means of estimates, cooked, as Mr. Sydney Webb asserts, to the tune of the original deficit, proved to his own entire satisfaction that all was for the best in this best of all possible worlds.

It is unnecessary to inquire into the causes of this remarkable metamorphosis, by which the Fat Boy of August was transformed into the Mark Tapley of October. Doubtless they are to be found in the calculations of "political strategy." Mr. Joseph Chamberlain once remarked that he used figures merely as illustrations; his son has bettered the

¹ This chapter was written before the introduction of this year's Budget, but its principal conclusions remain unaffected.

paternal example by using them as caricatures. But what we are concerned with are the facts, and these give no grounds whatever for the Chancellor's easy optimism. The National Debt to-day stands at nearly £200 per head of population, as against £16 per head when the war began. The deficit on the current year runs into nearly 500 millions. The last great loan was a comparative failure, and it is obvious that it will be impossible to raise any fresh money by similar methods. The proposal to issue Premium Bonds—as vicious from the financial as from the moral standpoint—has been very properly ruled out. Despite the promises which heralded the introduction of the Profiteering Act, prices show no sign of falling, the state of the foreign exchanges is disquieting, while production, instead of increasing, appears to be stationary or on an actual decline. The Chancellor is apparently bankrupt of further expedients, and falls back upon general appeals to the public to exercise economy. We are, indeed, on “The Road to Ruin,” and unless British statesmanship can grapple with the situation more effectively, the outlook for the future is full of menace.

What attitude, then, should Liberalism adopt in face of this unparalleled crisis? Throughout its history it has been the guardian of financial probity. Bright and Cobden waged unceasing war upon the extravagance of Government; Gladstone was one of the greatest Chancellors of the Exchequer in the whole history of our country; Mr. Asquith did more to reduce the national indebtedness than any other contemporary statesman. Public economy, the balancing of revenue against expenditure, the insist-

ence that taxation should be based upon the ability to pay—these things are the essence of Liberal faith. Must it be said that, confronted with the financial problems of to-day, Liberalism has no remedy to offer, but can only watch, with pained reluctance, the national career to bankruptcy? If so, then, in its financial aspect, it is indeed unequal to the times, and may as well surrender its faith to the keeping of more vigorous hands.

We must recognize at the outset that national expenditure in any case must remain upon a scale undreamed of even twenty years ago. The war has left behind it a legacy, which the nation cannot evade. The pensions to widows, orphans, and the disabled, the provision necessary for re-absorbing the demobilized in industry—these are charges upon the national exchequer which must be met. Further, it is obvious that the measures of social reconstruction which any progressive party must set before it cannot be accomplished without a heavy call upon the public purse. This, however, is expenditure of the most productive kind. Every pound which is spent on education, on better housing, on the acquisition of land for parks, small holdings, or allotments, will show a return in the increased health and welfare of the community. True economy does not consist in hoarding, but in spending wisely, and Liberals at all events must believe that money devoted to the purposes of social reform is money spent to the best possible advantage.

The question of national expenditure is, moreover, inter-connected with other problems of national policy. Foreign policy, armaments, the Irish question are all linked up with it, and by

its attitude towards them the ability of Liberalism to stay the rush to ruin must be conditioned. As has been pointed out already, the three demands for "Peace, Retrenchment, and Reform" are interdependent, and it will be found impossible to meet the necessary charges for social reform if the old nightmare of "the armed peace" is to be repeated. This country cannot indulge in Army, Navy, and Air Service estimates, framed even on a pre-war basis, and simultaneously embark on an ambitious programme of social reconstruction. It cannot at the same time spend a hundred millions a year in combating Bolshevism and provide adequate houses for its workpeople. It cannot devote a million to the upkeep of an army of occupation in Ireland and at the same time use the million for paying its school teachers more worthy salaries. If only the man in the street would realize it, foreign policy is a question of his very bread and butter. No country can have its cake and eat it, and unless Liberalism is prepared to go all out for a policy of appeasement abroad, it will find that it cannot deal effectively with the social problem at home.

Having granted so much, and having accepted the fact that even with a pacific foreign policy our national expenditure must still amount to a figure which would have staggered a previous generation, what practical proposals can Liberalism offer to deal with the financial situation? In the first place, it can insist upon the most rigid economy in departmental expenditure and upon the restoration of Treasury control. The House of Commons should by rights be the watchdog of the public purse, but thanks to the system of "token estimates" estab-

lished during the war it has surrendered this, one of the most vital of its functions. The orgy of expenditure in which the departments even now continue to indulge is in part a result of this failure and in part of the abandonment of Cabinet Government. Under present conditions there is no co-ordination of financial policy, estimates are rushed through the House of Commons with altogether inadequate discussion, the Treasury is helpless, and the taxpayer pays the tune. The first task of Liberalism in this sphere, therefore, lies in the restoration of normal control.

Further than that, Liberalism should insist that there must be an end to borrowing, that the disastrous inflation of credit must cease, and that so far as is possible the annual expenditure, together with the interest and sinking fund on loans, should be met from the annual revenue. True, if this is to be done, there will be a call for the most serious sacrifices on the part of every citizen. The persistent borrowing and reckless inflation of the present Government have created an altogether illusory appearance of prosperity, and if expenditure is to be met out of revenue a rude awakening is inevitable. But this, however unpleasant, will be a public benefit. It is high time that the harsh facts of the situation were realized, and that the community should understand that there is no Fortunatus' purse upon which it can draw. The root vice of the present system is that it conceals the real state of affairs from the man in the street. With an abundance of paper money and apparently ready credits, he sees no reason why he should economize. One of the first steps towards a reconstruction of

the national finances lies in the destruction of this illusion and the bold confronting of realities. It is inevitable that the war should make us all poorer, and if we can get back to the sound rule of paying our way as we go, it will not only re-establish the national credit, but bring home to each individual citizen that he has his part to play in bearing the burdens of the commonwealth.

The only sure basis of just taxation is that enunciated by John Stuart Mill more than half a century ago—the ability to pay. Any other test will lead us into confusion. Those who, thanks to the Commonwealth and its protective organization the State, have prospered the most should contribute the most, for all that they hold is held in virtue of their citizenship. It is essential, therefore, that the income tax should be graded steeply towards its higher end, that death duties should come again under review, that the taxation of land values should be retained, and that luxuries, such as wines, spirits, and tobacco, should be taxed even more heavily in preference to such necessities as tea and sugar. But when all this has been done (and the limit in each case is within sight) the financial situation will not have been retrieved. There will still remain a dead-weight of debt which will hang like a millstone round the neck of this and future generations. The Prime Minister's complacent assurance that most of this debt is "in the family" offers scant comfort. It will prove small solace to the taxpayer, either of the middle or the working class, to know that the tribute exacted from him year by year will swell the incomes of his more prosperous fellow-citizens, or that he is drawing money from one pocket to pay

the interest due to the other. Unless industry is to be crippled and the middle and working classes weighed down beneath an intolerable burden of taxation, the debt must be reduced—and now.

To accomplish this object, as the more Radical wing of the Liberal Party has urged, only one expedient is adequate. This expedient is known somewhat loosely as “the capital levy,” but is better described, in Mr. Asquith’s more precise phrasing, as “a levy on realized or realizable wealth.” The advantages of such a levy are obvious. It would at once relieve the nation of an immense proportion of its indebtedness. It would serve automatically to bring down prices. It would enable the Government to contract the dangerously inflated currency. It would save posterity from the enormous charges which the present generation has to bear. It would take a just toll of war-made wealth. And it would carry into effect the responsibility of the citizen to the commonwealth, and the principle that from him to whom most has been given shall most be required.

Before any such levy is made there must, of course, be full and expert inquiry into its working. But if it goes, the sole hope of redeeming the financial situation goes with it. The critics of the levy have not suggested any alternatives. If there be such, let us be told of them. But if not, then, in Heaven’s name, let the Liberal Party press for immediate inquiry and be prepared to back the proposal with all its might.

At its annual meetings in Birmingham last November the National Liberal Federation adopted the proposal of a special tax on war fortunes, subject only to an inquiry into *the method of application*.

In the case, however, of the general levy on wealth, it insisted (despite the pressure of the more Radical wing) that inquiry into *the principle* should precede its adoption. This discrimination is difficult to understand. Of the two proposals the former, while its yield would be much less, is infinitely the more complex. It is clear, as Mr. Asquith has pointed out, that the levy on wealth must fulfil three conditions. It must be equitable in its incidence ; it must be so arranged as not to discourage saving ; and it must be capable of being brought into working order by practicable machinery. But these, as he urged, are questions, not of principle but of legislative and administrative detail, and those who, like myself, believe in the levy, share his hope that "the financial wisdom of our time may be able to devise a satisfactory answer to them."

If the Liberal Party adopted, in the case of the levy on wealth, the same procedure which it has advocated in regard to the taxation of war fortunes—if, that is, it accepted the principle, confining its demand for inquiry to one of application—it would prove itself, in the highest sense, loyal to its tradition, and would hold out the hope of salvation to a country threatened with national bankruptcy. The proposal is both a bold and a novel one. If finally adopted, it is bound to mean a temporary straightening of resources for every man with a substantial amount of capital in the community. But, short of it, no remedies seem adequate to solve the financial problem, and we shall spin still faster down the road to ruin.

XVIII

THE SOCIAL OUTLOOK

NO honest critic can deny the service which Liberalism has rendered in the long struggle for political emancipation. It has been the standard-bearer of liberty, and every extension of the franchise, every blow struck at the power of political monopoly, has been due directly or indirectly to its efforts. But its task in this sphere is on the eve of completion. What yet remains—the perfecting of our representative institutions, the wider application of self-government, the removal of abuses which still cling to the Parliamentary machine—is the legacy of an age fast passing into history. Men's minds no longer run in a political groove. The old battle-cries seem to them hollow and without meaning. They are living in to-day, and it is of industrial problems that they are thinking, talking, writing, dreaming. Modern Liberalism must face up to this fact, with all that it involves. It cannot afford to rest upon its oars; it will not be allowed to live upon its past. By the courage with which it grapples with the social problem, by the honesty with which it interprets the claims of the working masses to a more effective freedom, it will stand or fall. If it is to survive, as a force in our national life, it must prove itself adequate to present needs, and if,

through lethargy or incompetence, it refuses the challenge, it will find that there are others ready to step into its place.

It is a commonplace to remark that the present times are critical. All things have been shaken by the great earthquake of the war and a new world is in process of being born. There is a spirit of deep unrest abroad, sometimes expressing itself in ugly and disquieting forms. Labour, suspicious and uneasy, is clamorously asserting its right to a "place in the sun." Strikes and rumours of strikes are everywhere, and in more extreme quarters there is even talk of revolution. Timid souls are terrified by the bogey of Bolshevism and are afraid for the things that are coming on the earth. The whole industrial system is in the melting-pot, and no one can tell in what shape it will ultimately emerge. Liberalism, however, will make a profound mistake if it allows this unsettlement to fling it back into an attitude of passivity. The times indeed are critical, but they are full of hope. The great mass of our people is neither Bolshevik nor revolutionary, and it will follow any party that offers a sane programme of reconstruction. The true friends of revolution are those who would resist any change and forbid to the spirit of unrest its natural and legitimate outlet. There is such a thing as "divine discontent," and anyone who professes himself satisfied with the present organization of society writes himself off as either a knave or a fool.

Liberalism to-day has a magnificent opportunity. If it can interpret its political theory in the term of industrial freedom, if it can work out a policy of real social emancipation, it will rally to itself the

great bulk of reasonable opinion, and find fresh and immense opportunities of public usefulness.

The ultimate roots of the present "unrest" will be found in the Industrial Revolution of the later eighteenth and earlier nineteenth centuries. It is here that the modern social problem starts, and from this vantage-ground that we must regard it. The immediate effects of the Industrial Revolution have been described by Professor Thorold Rogers in memorable words. "The wages of the mill-hand," he wrote, "were settled by the justices, like those of the artisan and peasant. Children and women were worked for long hours in the mill, and the Arkwrights and Peels and a multitude more built up colossal fortunes on the misery of labour. Any attempt on the part of workmen to combine for the purpose of selling their labour at better rates was met with stern repression, any overt act with sharp punishment. The English workman earned all the wealth and bore nearly all the cost during that long war on which the fortunes of manufacturers and landowners, the glory of statesmen and generals, were founded. High profits were extracted from the labour of little children, and the race was starved and stunted while millowners, landowners, and stock-jobbers collected their millions from the toil of those whose wages they regulated and whose strength they exhausted."

When due allowance has been made for exaggeration, the picture remains, in its essentials, only too correct. And there is this to be added. While the subsequent victory of "Laissez faire" freed the whole country from an intolerable system of monopoly, it liberated, at the same time, the employer

from responsibility to the commonwealth and gave opportunities for a still more soul-destroying oppression. It was followed, indeed, by an unprecedented increase in national wealth, but that wealth was distributed in altogether inequitable proportions. The joint-stock company set the shareholder in place of the small employer, and capital, becoming impersonal, became inhuman. At the other end of the scale, the manual worker developed into a hired mercenary, earning an inadequate wage for the duties which he performed, and owing no loyalty to the flag under which he served. Crowded together in unhealthy slums, working for hours so long as to forbid any opportunity of fruitful leisure, subject to the fluctuations of the labour market, with no pleasure in the moment, and scant hope for the future, it was small wonder if the masses failed to appreciate the benefits of the new era. And, while the town told its sorry story of overcrowding, and women and little children were sweated in the factory, the countryside was drained of its best blood, and the labourer, without property in the soil, and with his independence menaced by the double feudalism of squire and parson, remained what Thorold Rogers called him—"the most portentous phenomenon in agriculture."

Such were the fruits of the Industrial Revolution, so far as the working masses were concerned, and it must, in candour, be confessed that Liberalism was slow to recognize their real significance. Obsessed with the "rights of the individual," it failed to insist upon his duties, and, at first, indignantly scouted any endeavour to regulate the free play of economic forces. This failure was due, not to any

desire to keep the manual workers in subjection, but to a one-sided and inadequate conception of liberty. It was the philosophy of individualism run amuck, the theory of personal freedom pushed to the verge of anarchy. And, as we have seen, a later Liberalism learned wisdom from experience and recognized that the commonwealth must make an effort to secure fair play for all its members.

The network of "State interference" which has since been built up has been due to the realization of T. H. Green's view that the State must remove such "encumbrances" as forbade the full development of the best life. Beginning with the Factory Acts and the establishment of a national system of education, going on to the provision of health and sanitary legislation, and later still finding expression in the creation of old-age pensions, of insurance against sickness and unemployment, of trade boards to prevent the sweating of unorganized workers, and of many another beneficent reform, the State has taken an ever-increasing part in regulating the conditions under which its members work, and has thus interpreted the freedom for which Liberalism strove in a more real and effective form.

Admitting, however, the great improvement in social conditions which has taken place during the last half-century, and recognizing the development of Liberal thought which has been at once its cause and its result, we must, if we are honest, confess that freedom, in its social sense, is still far enough to seek. The slums in our great cities still remain. Unemployment, destitution, misery, still knock at a million doors. The agricultural labourer is still unfree. Most important of all, the worker still

remains a mercenary, and "self-government" has yet to be applied to the sphere of industry.

For most men in a brazen prison live,
Where, in the sun's hot eye,
With heads bent o'er their toil, they languidly
Their lives to some unmeaning taskwork give,
Dreaming of nought beyond their prison wall.
And as, year after year,
Fresh products of their barren labour fall
From their tired hands, and rest
Never yet comes more near,
Gloom settles down slowly over their breast.
And while they try to stem
The waves of mournful thought by which they are
 prest,
Death in their prison reaches them,
Unfreed, having seen nothing, still unblest.

The war has profoundly affected the industrial situation. The fighting men are returning with a conviction that if their country is worth dying for, it should be worth living in. The immense fortunes which have been built up by favoured individuals out of the necessities of the community have aggravated the contrast between riches and poverty and brought into cruder light processes which are going on all the while. The unprecedented rise in prices has created an ugly temper throughout the country, and the demand for an all-round increase in wages is its natural consequence. It is no final answer to this demand to say (what is the bare truth) that increased wealth can come only from increased production, and that if labour "ca's canny" it will prove its own worst enemy. At bottom, the present unrest has a moral cause. It may find expression in demands for higher wages, for shorter hours,

for better working conditions. But, in the last resort, it is spiritual in character. The wider development of State "paternalism" will not ultimately solve our difficulties. Every man and woman in the country may be secured a decent livelihood, and yet real liberty may be as far off as ever. Unless and until we apply the principle of "industrial democracy," we shall not touch the heart of the problem. The worker is beating against the prison bars. He is determined to obtain for himself not merely a larger proportion of the profits of industry, but a personal share in its control. In so doing he is expressing the spirit which has sustained the Liberal movement in the past, and the Liberal Party will have to meet his demand if it is to remain true to its instincts and traditions.

XIX

LIBERALISM AND LABOUR

I

IT is the fate of every progressive party blessed (or cursed) with a historic consciousness to be compelled to fight a double battle. Like the Psalmist, it is beset behind and before. In front of it reaction endeavours to bar the way ; in the rear revolution is trying to goad it forward. It has to meet both the criticisms of those who do not want to progress at all and also the taunts of those who want to move too quickly or in the wrong direction. This is the situation in which Liberalism finds itself to-day. On the one hand it is confronted with Conservatism and a Coalitionism which is its first cousin ; on the other it has to face a Labour party, growing in strength and confident of victory. The one opposition is in the nature of things. Liberalism and Toryism will not mix any more than oil and water—a fact which a good many Coalition Liberals are beginning ruefully to realize. The fate of those ingenuous souls who trusted in the “essential Liberalism” of the Unionist Party last December reminds one of the sad story of the Lady of Riga :

There was a young lady of Riga
Who smiled as she rode on a tiger ;
They returned from the ride
With the lady inside,
And the smile on the face of the tiger.

It is unnecessary to spend any time in examining the fundamental differences which separate the Liberal from the Conservative temperament. They are obvious, on the face of them, to any intelligent student of history, and any of the great questions of foreign or domestic politics which agitate the public mind to-day will supply a ready test. But as regards the antagonism between Liberalism and Labour something more must be said. Liberalism, says its Tory critic, is milk-and-water Labourism. Liberalism, says its Labour opponent, is another edition of Toryism, more dangerous because more subtle. Where does the truth lie? Is there any fundamental opposition between the Liberal and Labour parties? Are their ultimate objects incompatible or inconsistent? Is the difference between them merely one of degree, or is it ultimately one of character? These are questions which must be discussed in any review of Liberal policy, and they will be best discussed here and now, before an attempt is made to elaborate Liberal theory in the terms of industrial freedom.

It must at the outset be frankly admitted that on the immediate issues before the country there is little discernible difference between the Liberal and Labour programmes. In the House of Commons, in nine divisions out of ten, the Labour men and the Free Liberals are found in the same lobby, and at the by-elections the differences between them seem largely artificial. But I am attempting in these articles not merely to suggest a present programme for Liberalism as I conceive it, but also to restate the essentials of the Liberal faith. And, when we escape from immediate issues and consider ultimate

ideals, we shall find that the differences between Liberalism and the Labour Party are real and vital. For the time being, it is both wise and necessary that they should co-operate. The first object of every lover of freedom must be to get rid of the present Coalition and to substitute for it a progressive and democratic Government. And even when that task has been accomplished there remains a wide field for common action. But we are concerned here with ultimate principles, and from this point of view an alliance must be regarded as a temporary and working arrangement.

“One of the greatest difficulties which beset the path of the Socialist,” says Mr. Ramsay Macdonald in his little book on *The Socialist Movement*, “is the refusal on the part of his opponents to give any accurate statement of what Socialism means and what the purpose of Socialism is.” It is an odd complaint, and I may retort upon Mr. Macdonald by observing that one of the greatest difficulties which beset the critics of the Labour Party lies in the failure of its supporters to agree in stating a common programme of ultimate objectives. When I am asked (as I frequently am asked by some of my friends who believe that I am in the wrong camp) why it is that I do not throw in my fortunes with the Labour Party, I am tempted to reply, “Tell me first what the Labour Party stands for, and I will then give you my answer.” This is something more than a debating point. It goes to the very root of the matter. It will not do to fob us off with generalities as to the improvement of society. Every good citizen is anxious that society should be improved, and what we have to discover is in

what precise form the Labour Party seeks to recast it.

I take it that the general aim of the Labour Party is "Socialism." But what is Socialism? Is it the plodding, practical, everyday trade unionism of Mr. Clynes? Is it the bureaucratic State Collectivism of Mr. Sydney Webb and the Fabian Society? Or is it the Guild Socialism of Mr. G. D. H. Cole and *The New Age*? We do not know, and there is apparently no one who can tell us. Socialists themselves give the most varying interpretations of their faith, and within the ranks of the Labour Party there are differences as acute as those which separate it from Liberalism or Conservatism. One is, therefore, in a difficulty at the outset in attempting to state the fundamental differences which divide Liberalism from Labour—a difficulty which the conflict of opinion within the Labour movement has itself created.

I shall, however, be fairly safe if I confine my criticisms to the two main schools of Socialist thought—the Collectivism of Mr. Webb and *The New Statesman* and the Guild Socialism of Mr. Cole and *The New Age*. And first in regard to Collectivism. Its object we may assume to be "the public ownership and administration of all the means of production, distribution, and exchange." This is Socialism as it was preached before the rise of the Guild Socialists, and it is Socialism as defined in most of the orthodox text-books to-day. Where, then, does Liberalism stand when confronted with this demand? It has lost much of its earlier distrust of the State. It has learned that the State may (nay, that it must) interfere to an increasing degree in the inter-play

of individual relationships. It has shed the crude individualism of the Manchester School and recognizes that effective liberty can be secured only by the restraint of anti-social freedom. Is it, then, prepared to accept the State as the owner and administrator of every industry and to join forces with the Fabians ?

No. Liberalism must, indeed, accept the fact that there are certain essential national services which rightly fall within the province of public enterprise, but to all-round Collectivism its opposition is inherent and fundamental. It has a natural hatred of bureaucracy, and Collectivism is bureaucracy writ large. It holds that public ownership, whether national or municipal, of industries where individual choice plays a principal part in demand would be inimical to the general well-being. It sees that the Collectivist State would mean, in the last resort, the Servile State of Mr. Belloc's imagination. It distrusts the competence of the Government official to control the delicate processes of industry, and dreads the soulless monotony of a "standard" world. In its very roots, it is bound up with the belief in individual freedom, and it holds that with such freedom all-round Collectivism is absolutely inconsistent.

There are, however, as has already been remarked, certain national services which cannot with advantage be left in private hands. Even in these cases, Liberalism is not enamoured of State enterprise, but it recognizes that State enterprise is infinitely better than the present system of dual control, and it believes that with adequate safeguards the perils of bureaucracy can be largely obviated. Where, then, does it draw the line ? At what point does its ban

on public ownership come into operation? An answer to that question may be found in a sentence which Professor Hobson has quoted from Adam Smith. "The only trades"—it runs—"which it seems possible for a joint-stock company to run successfully . . . are those of which all the operations are capable of being reduced to a routine, or to such a uniformity of method as admits of little or no variation." If for the words "joint-stock enterprise" we read "national or municipal enterprise," the passage affords as good a working distinction as we are likely to find. Gas, water, electric light, tramways, railways, the postal service, the waterways, and (though the case here is arguable) the mines would fall naturally into the category of "routine industries." Industries, on the other hand, such as the clothing trade, the upholstering trade, the book trade, and a host of others where personal taste and individual choice are among the most essential factors in demand, are as obviously ruled out from the possibility of State enterprise.

This distinction, of course, will not cover every case. Many industries stand on the border-line between the two classes. But it establishes a broad principle of division which, if accepted, clearly differentiates the Liberal position from the Collectivist. The distinction is not a matter of words. It is fundamental. While the Labour Party is seeking to "collectivize" such national services as those to which reference has been made, Liberalism is entitled to co-operate with it to the best of its ability. But the ultimate objectives of the two movements (that is, if we accept the Collectivist interpretation of Socialism) are utterly different, and we shall

merely confuse ourselves if we think of them as the same. Liberalism has a social programme of its own—a programme of which freedom is the watch-word—but in all-round Collectivism it sees only tyranny—a tyranny which is none the less oppressive because impersonal.

XX

LIBERALISM AND LABOUR

II

IT may be objected, in regard to the arguments adduced in the last chapter, that criticizing Collectivism is like flogging a dead horse. The Collectivist ideal has few (if faithful) friends to-day, and the younger intellectuals in the Labour movement are no longer thinking in terms of the Fabian Society. "State Socialism," writes one of them, "is no panacea for economic servitude. On the contrary, it rivets the chains a little more securely." True enough—though it is a pity that Socialists did not awaken to the fact before. The idea which has captured the imagination of the younger school and is destined to play an increasing part in Labour politics is that of "National Guilds." In its genesis it is derived from Continental Syndicalism, and with Syndicalism it still has much in common. It is differentiated, however, by the recognition which it accords to the State and the dual character of the organization which it seeks to establish. The object of National Guildsmen may be summarized in Mr. Cole's words, which I quote from his very interesting little book, *Labour in the Commonwealth*. "Where we have now a single Parliament," he writes, "elected by geographical constituencies and claiming universal

authority, Guildsmen want two 'Parliaments,' one geographical to represent all 'users,' the other industrial to represent the 'producers.' . . . The industrial programme of Guild Socialism is clear. The Trade Unions must set before themselves the object of winning control in industry. Beginning in the workshop, they must more and more take control out of the hands of the employers and transfer it to their own organizations. This involves, not joint control with the employers, but actual transference of control from the employers to the Trade Unions."

This is, of course, the barest skeleton of the Guild idea. Those who wish to study it in detail may be commended to Mr. Cole's other volume, *Self-government in Industry*, or to the book entitled *National Guilds* by Mr. S. G. Hobson. Under the plan proposed the private capitalist would be eliminated. The means of production would be owned by the State, but would be leased to the several Guilds. Each Guild would embrace the whole of a single industry, and would determine all questions of wages, hours, prices, and working conditions within that industry. A network of "democratic control" would be built up from the very bottom, and, beginning from workshop committees, the rank and file would hold all ultimate decisions of policy and management in their hands. Whilst the State would retain within its province such matters as education, international relations, and the administration of justice, the Guilds would be supreme so far as concerned industrial affairs, and in matters of dispute between Guild and Guild a conference would be called to effect a settlement. The workers, it is

argued, would thus become, in fact as well as name, "self-governing," private "profiteering" would be abolished, the abuses of the present industrial system would be swept away, and Labour would be set free to pursue its highest aims, conscious that it called no man master.

Let us admit that the Guild idea is attractive, and that there are features in its programme from which all reformers may learn a useful lesson. Sometimes, indeed, I am fain to parody King Agrippa and to cry, "Almost thou persuadest me to be a Guildsman." In their attack on the "commodity" theory of labour, in their demand for the democratization of industry, in their belief in man as a free and self-governing being, the Guild Socialists have struck the right note. And yet their programme fails to carry conviction. It is true that where Collectivism leaves one coldly hostile, Guild Socialism strikes a responsive chord. In its spiritual ideals, at all events, it is in keeping with the best Liberal tradition. In a perfect world it might prove a working possibility—though in a perfect world the precise character of the industrial system would be immaterial. But it is vitiated with practical difficulties which rule it out as a realizable plan of reform.

In the first place, Guild Socialism, by setting up, side by side with the "geographical" Parliament an "industrial" Parliament of equal powers, would introduce a fatal division of sovereignty. It would be impossible to separate political and industrial issues into water-tight compartments and to say to either assembly, "Thus far shalt thou come and no farther." In the event of a conflict, who would decide—"producers" or "users"? An

“ industrial Parliament,” such as has been suggested by Commander Kenworthy and the embryo of which already exists in the National Industrial Council, would prove of the utmost service to “ producers ” and users alike. But it must in the last resort be subject to the Imperial Parliament, and where policies come into conflict it must be the Imperial Parliament that has the last word. As Mr. Ernest Barker has expressed it, “ any doctrine of separation of powers such as Guild Socialism advocates is bound to collapse before the simple fact of the vital interdependence of all the activities of the ‘ great society ’ of to-day. If there is to be a State, it must have the final responsibility for the life of its citizens.”

Secondly, have we any guarantee that the relations between Guild and Guild would be capable of such amicable adjustment as the Guild Socialist appears to imagine ? And, failing an agreement by the Guild Conference, what is to happen ? In some respects the interests of the various Guilds are bound to be antagonistic. What promise have we of their reconciliation ? With the whole of a particular industry concentrated in the hands of a single Guild, it could, if it chose, impose a hold-up upon the commonwealth, and such conferences as might be summoned would prove little more than a test of respective strengths. We have seen in the speeches of certain leaders in the Triple Alliance a tendency to hold society to ransom if they cannot secure what they want. Have we any guarantee that such a situation might not arise under Guild Socialism ? It may be argued that since private capitalism and private profit would have been eliminated, the members of a Guild would have

no object in taking such a step. But we cannot assume that human nature will be changed, even with the introduction of a new system, and the temptation to a section of the community to advantage itself at the expense of the rest would still remain. With industry thus concentrated the peril would be even greater than it is to-day, and society itself might well break up in anarchy.

Thirdly, would Guild Socialism really secure a more effective freedom for the individual citizen? The answer to that question is more than doubtful. Guild Socialism, it is true, would give the workers the ultimate responsibility for the control of industry, but the tyranny of the majority within the Guild might well be as oppressive as that of the private capitalist. More than that, the Guild system would encourage that "standardization" which is anathema to the Liberal spirit. Wages and prices would be fixed, there would be no incentive to competition within a given industry, the majority would be tempted to set a low standard of production and achievement, and "users" would be condemned to accept whatever goods the Guild saw fit to provide.

The Guildsman will doubtless reply that with the liberation consequent upon such industrial reconstruction the workers would seek to express their highest faculties in their work. But unfortunately we have to deal with men as they are, and there is too much reason to fear that, even as a member of a Guild, the average man, without the stimulus of competition, would be satisfied with a general level of mediocrity. As in the case of Collectivism, so in that of Guild Socialism, the individual taste which plays so large a part in present demand

would be denied its proper satisfaction, and the consumer would be forced to content himself with whatever "standard" commodities the all-powerful Guild was kind enough to offer him.

Further than that, the abolition of private profit, which is one of the supreme objects of the Guild Socialist, would (if applied throughout the industrial sphere) be fatal both to enterprise and efficiency. On this point there is widespread misunderstanding. Economic profit, of course, there must be if industry is to be carried on at all, for if there is no surplus over the expenses of present production would come to a standstill, and our mills, our factories, and our counting-houses would be idle. What the Guild Socialist means when he declares that he is out to abolish profit is that he is out against the present *distribution* of profit, and would prevent any of it going in the form of interest to remunerate private capital. That profit at this moment is unfairly distributed no thinking man can deny. Liberals, at all events, must believe that the worker should be given a much more adequate share in the proceeds of his labours, and that he should be taken into effective partnership with capital and management. But this is not to say that private profit should be abolished. Private profit is one of the necessary conditions of healthy industry. In certain "national services," such as those to which reference was made in the last chapter, we may concede that industry will be best taken out of private hands, but looking at business as a whole, and paying regard to the stimulating effect of competition, the prospect of private profit is one of the most necessary incentives to enterprise. It may be argued that the motive of

service should be sufficient to call out a man's best faculties, and I certainly would not depreciate the power of that appeal. But we have to take the world as we find it, and the fact remains that with the generality of men the prospect of profit encourages them to put forth their most efficient work. In most large industries it is necessary to take risks, and a man looks to some recompense for his initiative. Let profit be more fairly distributed by all means. Let the worker be admitted into partnership and given the fullest opportunity of self-development. But do not let us discourage enterprise by eliminating all prospect of private profit and so kill the goose that lays the golden eggs.

Liberalism has throughout made the development of a strong and vigorous individuality its object. Sometimes it has sought to achieve that object by faulty or inadequate means. It cannot, however, see in the abolition of private profit anything but a handicap to the realization of its purpose. It will welcome all that is good in Guild Socialism. It will gladly accept its view of the "personality" of labour, and will strive to interpret its demand for "industrial self-government" in practical terms. But it must view with alarm the menace to individual freedom and initiative which is involved in the Guild idea; it must refuse to emphasize man as producer at the expense of man as citizen; it must protest against the attempt to divide ultimate sovereignty; and it must resist the endeavour to assert the dictatorship of the parts over the whole.

XXI

LIBERALISM AND THE INDUSTRIAL ORDER

I

WE must now pass on from criticism to construction. What principles, emerging from our previous investigations, must govern our programme in the industrial sphere? In the first place, the "Liberal State" must provide for all its members the opportunity of a humane and useful life. It must secure to them such a minimum as shall prevent them falling beneath the level of subsistence, and must protect them against the fluctuations of trade. It must offer to all a career "open to the talents" and break down the caste system which still rules in high places. In "the removal of encumbrances," it must include not merely the restriction of such anti-social action as shall infringe the liberty of others, but the provision of conditions conducive to a healthy and moral existence.

Recognizing that man is not only, as Aristotle taught, "a political animal," but "an industrial animal" as well, it must endeavour to make him self-governing, both as worker and voter. Regarding the development of the individual in the service of the commonwealth as its supreme object, it must refuse to substitute one tyranny for another and

eschew like the plague every attempt to "standardize" Society. It has no passion for State enterprise as such, but it must recognize that there are certain "routine industries," monopolistic in character and essential to the life of the community, which are proper objects of public ownership. While recognizing that private profit (under present conditions) constitutes a stimulus to efficiency, it will strive to inculcate the ideal of public service and will seek to protect the consumer against exploitation. It will, moreover, demand that profits, when made, shall be more equitably distributed among the various parties which have co-operated in their creation. Above all, it will set up the commonwealth as the object of all men's loyalty and will turn a deaf ear to the appeal of section or of class. Thus preserving both individual enterprise and social consciousness, it will attain the object of its historic endeavours and establish an industrial order more after the pattern of its dreams.

These, as I see it, are the principles which must govern the Liberal programme of reconstruction. In what manner are they to be applied? I must apologize if in this chapter I adopt a somewhat arbitrary procedure and discuss first of all the question of partnership in industry. Other questions, with which it is closely interrelated, will be examined in due course, but this follows naturally from the line of thought pursued in preceding articles, and forms, as I believe, the real core of the industrial problem. I will take leave, therefore, to treat of it first, and by itself.

The essentials of this problem may be summarized in two sentences from the address which Mr. Henry

Vivian delivered in Huddersfield a year or two ago. The first is this : " That the status of labour should be that of partner and not inferior is a right which labour must have conceded to it if we are to make headway." And the second is this : " We cannot disregard the normal incentive to industry to the great mass of our people—the possibility of winning a greater amount of personal liberty through the possession of means over which they have control." Our task lies in the reconciliation of those two statements. Sir Henry Maine, in his famous book on *Ancient Law*, observed that " the movement of progressive societies has hitherto been a movement from Status to Contract." So far as organized Labour is concerned that movement has been reversed. In its earlier stages it concentrated principally on the terms of its " Contract "—on questions of wages, hours, and working conditions. To-day it is concerning itself more and more with the question of " Status." It is still asking, it is true, for higher wages and reduced hours, but behind these claims looms the infinitely more important demand for " control."

It may be doubted whether any but a minority in the ranks of organized Labour have thought out what they mean by " control," but the demand is there and represents an increasing element in democratic thought. The manual worker, so far as he is socially self-conscious, is no longer content to be a mercenary—or, if the phrase be preferred, a " wage-slave." He is asking for something more than an improvement in his material conditions. He is demanding entrance to spheres hitherto sacred to capital, and claiming an effective voice in the management of industry.

In what spirit should Liberalism meet that demand? Is it possible to retain the incentive of private profit and yet admit the worker to a share in control? The phrase "industrial partnership" has been interpreted in three ways—as a share in profits; as a voice in the control of working conditions; and as a participation in the duties of management. So far as the second of these alternatives is concerned the recommendations of the Whitley Commission have taken us a long way towards our goal. These recommendations advised that a system of councils, representative both of employers and employed, should be established throughout industry, and should pay regard, among other things, to the better utilization of the knowledge of the work-people; a larger share in and a greater responsibility for the conditions under which their work was carried on; the establishment of regular methods of negotiation in cases of dispute; the settlement of questions of remuneration; and the consideration and encouragement of improvements in the working of industry. The bottom rung of this system would be found in the "works councils"; these would lead up to "district councils"; and the "district councils" in their turn would be crowned with a permanent "National Industrial Council."

This report was signed, among others, by Mr. Clynes, Mr. Smillie, and Mr. Buttons, and (despite the sneers at "Whitleyism" which are common in "advanced" quarters) may therefore be taken to have the support of organized Labour. The scheme has already been adopted in several industries with admitted success, and its further application can be only a matter of time. A "National Industrial

Conference " has, moreover, been summoned, and has made recommendations of the greatest importance, on some of which legislative action has been taken.

" Whitleyism," as will be seen, admits the worker to a partnership in the determination of his working conditions and establishes machinery for the settlement of disputes. But it leaves untouched the further, and more fundamental, question of management. It is here that the crux really lies. Labour will certainly not be satisfied with any system which denies to it a voice in ultimate control, and Liberals who believe in the efficacy of their principles must sympathize with its refusal. What we have to inquire, therefore, is whether it is possible to extend this system, and, retaining the incentive of private profit, to admit the workers to partnership, not merely in the determination of conditions affecting their immediate labour, but in the ultimate questions of management and control. The principle of " joint control " as applied to the mines has been elaborated in a very interesting manner by Mr. Justice Sankey, but these recommendations are based upon the supposition that the mining industry will be nationalized. Is it possible to adapt them to industries where private enterprise is still the mainspring and to make them effective throughout the field of business ? The Guild Socialists, as we have seen, would eliminate private profit altogether, vest control in the hands of the producers, and make the State the only capitalist. But the State is trustee for the community, and as such would be debarred from investment in speculative enterprises. All industrial development, therefore, into which any considerable element of risk entered, would be

forbidden. If British industry is to maintain its position in the world, and if there is to be full employment for labour in this country, it is essential that capital should be available for the opening up of new markets, the development of new processes, and the attempting of new experiments. Such possibilities would be ruled out if all capital were nationalized. This proposal, therefore, is impracticable. But why, even with private capital, should not the organized workers, through their elected representatives, share the duties of management, and thus become "self-governing" in the ultimate conduct of industry? They have invested in the business their own most valuable capital—the health of their bodies and the skill of their hands and brains—and they are entitled, at least as much as those who have invested their money, to participate in the ultimate conduct of operations. If "joint control" can be so developed as to admit into the managing hierarchy, on a footing of equality, the representatives of organized Labour, then the democratic principle will become operative throughout industry, and the problem of control should be on the way to solution.

There is, however, a further point. The Whitley Report refers to "the need for securing to the work-people a share in the increased prosperity of industry," but it does not indicate how such an object is to be secured. If, however, the worker is to become a real partner in the enterprise of business, he must not only be given a voice in the determination of the conditions under which he labours and an adequate share in the functions of management; he must also participate in such profits as may accrue, after his regular wages have been paid. It is impos-

sible to develop this point adequately here, but I am persuaded that some system of profit-sharing is essential to industrial partnership. It would give the worker an added incentive, make him a co-operator instead of a "wage-slave," secure that he should benefit from a prosperity created largely by his own labours, and reduce the risks of industrial conflict. "If, on a subject on which almost every thinker has his Utopia," wrote John Stuart Mill, "we might be permitted to have ours, if we might point to the principle which, at some distant date, we place our chief hope for healing the widening breach between those who toil and those who live on the produce of former toil, it would be that of raising the labourer from a receiver of hire—a mere bought instrument in the work of production, having no residuary interest in the work itself—to the position of being, in some sort, a partner in it."

By extending the principle of joint control; by retaining the "normal incentive to industry" and yet admitting the worker into effective partnership; by adopting profit-sharing wherever possible, this Utopia might be realized, and Liberalism work out in the field of industry those ideals which it has established in the field of politics.

XXII

LIBERALISM AND THE INDUSTRIAL ORDER

II

THE proposals made in the last two chapters will, no doubt, come under a cross-fire of criticism. On the one hand they will be opposed by the advocates of "scientific management," who apparently believe that the sole function of labour lies in providing industry with an equipment of efficient (though animate) tools; on the other they will arouse the wrath of those who wish to eliminate private capital and with it the incentive of private profit. But perhaps it is something in their favour if they fail to commend themselves to the two extremes. There is, however, a criticism which will naturally occur even to those who may be prepared to consider them with sympathy. It is this:—Would they not tend to combine capital and labour in a conspiracy to exploit the public? This is a danger which cannot be ignored, but it is only part of a problem with which we are already familiar. The peril of the "combine" is with us to-day, and it would not be materially affected by admitting the workers into partnership. As the authors of a pamphlet issued under the auspices of the now defunct Ministry of Reconstruction remark, "We

are moving steadily towards a condition of things in which a group of manufacturers in any branch of industry, having command or influence over the sources of material and the channels of distributing trade, may be in a position to constitute themselves a close corporation from which would-be intruders can be excluded."

Liberalism has yet to come to grips with the problem of the combine. It has been too prone to rely on Free Trade as security against the trust, and to imagine that while the system of free importation was maintained the abuses of combination would be obviated. Protection is indeed the foster-mother of trusts, and once introduced into this country would give an unprecedented encouragement to the organization of "sinister interests." But, even under Free Trade, there is a manifest and increasing tendency towards combination, and the consumer is faced with a growing danger of exploitation. We must recognize that combination, under certain conditions, has its advantages. It secures great economies in buying, manufacturing, and selling. It avoids duplication and overlapping, and tends to minimize the fluctuations in any given trade. But, admitting these advantages, the possible abuses of combination are obvious. "The prospect opening out" (I quote again from the same pamphlet) "is one of a series of industrial monarchies or republics, enjoying a sovereignty of their own as regards the amount they will allow to be produced and the prices at which they will sell within the political realm." It would be superfluous to labour the dangers of such a prospect. The commonwealth cannot afford that any "interest"

should be in a position to dictate to it, and whether that "interest" consists of manufacturers and employees or of a partnership of labour and capital does not affect the situation to any degree one way or the other.

It is essential, therefore, that Liberalism should give serious thought to this problem and work out a programme which will secure the community against exploitation. It will, indeed, find this no easy matter. The anti-trust legislation which has been attempted in America and Canada has not proved a conspicuous success, and does not provide a very encouraging example for imitation. The Ministry of Reconstruction has had little to offer beyond the suggestions that a department of State should be established, charged with the duty of informing itself as to the nature, extent, and development of combinations and of making a preliminary inquiry into complaints made in regard to them; and that a tribunal should be set up to which the department could apply for powers to obtain special information, and which would refer for investigation cases in which combinations appeared to act injuriously to the public interest. Further action—whether by way of nationalization, public competition, or control of prices or profits—it has left an open question. These suggestions are sound enough in their way, but more drastic remedies will have to be adopted if the dangers of combination are to be dealt with effectively. The problem needs to be dealt with on bold and comprehensive lines; it is up to the Liberal Party to get to grips with it. It is not one to be solved by catch phrases. It calls essentially for expert

investigation. And, if I may throw out the suggestion, I should propose that a committee be at once formed to look into the question in all its bearings, and present recommendations for adoption by the Party.

The problem of "monopolies" naturally suggests the further question of those "arterial services" which, as has been urged, form the proper object of public ownership. These "arterial services" I take to be the railways, the mines, the waterways, and the supply of gas and electricity. They all of them fall in the category of "routine industries," in which "all the operations are capable of being reduced to such a uniformity of method as admits of little or no variation." They all of them, moreover, partake of the character of monopolies, and are fundamental to the life of the commonwealth.

At the present moment they are carried on under a system of dual control. The State exercises a supervision over their operations, but the ownership in most cases remains in private hands. As we have seen, however, during the past few years, dual control has the vices of both systems without their virtues. The miner and the railwayman are not national servants, but are still working for a private company, while the division of authority is fruitful of friction and inefficiency. There are few Liberals who would be willing that all public supervision should be removed; the only question, therefore, that remains is whether these services shall be taken over by the community or whether dual control shall continue.

For myself, I confess that the first of these two alternatives seems to me infinitely preferable. I

am aware of the objections to nationalization, and I do not deny their weight. But if such a system as was suggested in Mr. Justice Sankey's report were applied, most of those objections would be met. The prime weakness of nationalization, as it has hitherto been advocated, lies in the power which it would entrust to the bureaucracy. But if "Sankeyism" were accepted as a general principle for all these "arterial services" that weakness would be largely obviated. It will be recollected that, under the majority report of the Coal Commission, it was recommended that control of the mining industry should be placed in the hands of a mixed authority, consisting of representatives of the State, of the manual workers, of the experts, and of the consumers. From the "pit committees" upwards there would be co-operation between all parties interested in the management of the industry, and the dead hand of the official would be robbed of its paralysing power. If such conditions obtained to-day in the railway world it is not too much to say that the recurrent crises of last year might have been avoided. It is exceedingly unlikely that if the workers, the State, and the consumers were jointly concerned in the management of the railways a strike would ever have broken out. The trouble has been that the railwaymen have had no share in control, the community has had no representative but the official, and the official has acted with the high hand. "Sankeyism" might not, it is true, prevent strikes altogether, but it would at least reduce the possibilities of friction to a minimum.

An important aspect of nationalization which remains is that of the cost. It is obvious that to

buy out the mineowners, the railway shareholders, and the rest would place an almost overwhelming burden on the national finances when they are already strained to danger-point. If the Government persists in an adventurous foreign policy, and if the expenditure on armaments continues at its present figure, nationalization, together with many another essential reform, will have to be postponed to the Greek kalends. Only with a complete change in policy, a ruthless reduction of the national debt, and an immensely accelerated output at home, will such a programme have any hope of realization.

Given these conditions, however, and assuming that the purchase price were a reasonable one, it is legitimate to anticipate that the nationalization of "arterial services" would, in the long run, prove a sound bargain and enable immense economies to be effected in the interests of the community. Once again we see that expenditure is conditioned by policy and that a Liberal programme abroad is the first essential of a Liberal programme at home. Such a programme, indeed, is not exhausted by the proposals which have already been enumerated. The principle of a universal minimum wage must be established ; the hours of labour must be legally restricted ; unemployment insurance must be extended (so far as is possible) to the whole field of industry, and—most important of all—the land problem must be tackled at its roots. With that problem I must now deal.

XXIII

THE LAND

“**T**HERE is no question,” said Mr. Lloyd George in October, 1913, “which more vitally affects the well-being of every man, woman, and child in these islands than the question of the land. It enters into every necessity of life. The food the people eat, the water they drink, the houses they dwell in, the industries upon which their livelihood depends, even their entertainments, their education, whether it is secular or religious, whether it is school or chapel or church, even their playgrounds—there is no necessity of life, there is no amenity of life, but the land is somehow woven into its texture. For every man, from the beginning of his life to the end—the cradle is rocked on the land and the grave is sunk in the land. It enters into everything. You cannot raise an issue which is more important for us to consider thoroughly, to consider intelligently, and having considered, to act boldly in reference to, than the question of the land.” Those words remain true to-day, after the lapse of more than six years, and although their author has apparently forgotten them, they will provide a text for the present chapter.

A just, a courageous, and a comprehensive land policy is indeed the foundation of any adequate

programme of social reconstruction. Unless the land question is tackled sincerely, the reformer will find himself brought up against barbed-wire entanglements at every turn. The fundamentals of such a policy are, first, that there should be cheap and ready access to the land, whether for the private individual or for the community; secondly, that the community should profit by the value which it has itself created; thirdly, that the conditions of agriculture should be such that a maximum production is secured and the labourer's wages should not depress the general level of remuneration throughout industry; and fourthly, that the farmer, the smallholder, and the leaseholder should enjoy security of tenure. "But," says the land nationalizer, "all private property in land is robbery. Land is a monopoly, limited in amount, and by no device of man can it be increased. Even the English law recognizes no such thing as absolute ownership in land and enunciates the view that the King (as representing the community) is the ultimate landowner. Why tinker at the problem? Why not grapple with it boldly, nationalize the land, and thus reassert the principle of public ownership?"

The statements upon which this challenge is based cannot be denied. They are indeed the commonplaces of every land reformer. All that needs to be questioned is the conclusion which is based upon them. Land nationalization can be effected in only one of two ways—by confiscation or by purchase.

The Land Restoration League presses its theory to a logical conclusion, and argues that since all private land-holding is the fruit of robbery, the State has a right to reclaim what is its own without compen-

sation. It forgets, however, that whether or no the original acquisition of private property in land partook of the character of theft, conditional ownership has been sanctioned by long use, and the law, for hundreds of years, has recognized land as a proper object of sale and possession. To expropriate the landowner without compensation would be no more justifiable than to confiscate the savings which his neighbour has invested in War Loan. As Mr. Herbert Samuel has expressed it, "To pass a law ruining the one by taxing him twenty shillings in the pound, while the other is left scot-free, is a proposal so flagrantly and obviously unjust that it is strange that any body, however small, of Englishmen should ever have advanced so intolerable a suggestion."

We are, therefore, left with the alternative of purchase. To this, indeed, there is no such moral objection as can be urged against confiscation. The only question is, "Would it be worth while?" and to that question there can be (as I see it) only one answer. Nationalization by purchase would impose an overwhelming burden on the community. Purchase in money is, of course, out of the question, and purchase by bonds, bearing a fixed rate of interest, would saddle the State with an enormous annual tribute at the very time when the reduction of debt is the first thing needful. If nationalization were the only cure for the evil, if it could be proved (as in the case of the "arterial services") that its advantages were so great as to counterbalance the expense, and that, in the long run, it would prove a remunerative investment, we might waive these objections. But this cannot be done. The practical

objects of land reformers can be secured by other means. The principles which have been enumerated can be established without nationalization. And, that being so, the Liberal Party would indeed be ill-advised to commit itself to so costly and unnecessary an adventure.

To those who ask along what lines the Liberal land policy should be formulated I would commend a study of the speeches made by the present Prime Minister in the year preceding the war. They will find there a programme which, subject to modification, and coupled with the taxation of land values introduced in the Budget of 1909, offers the groundwork of an effective and comprehensive scheme of land reform. Space forbids me to describe that programme in detail, but anyone who is sufficiently interested in the question can undertake for himself the necessary research. In the barest outline it proposed that a Ministry of Lands should be constituted, which would operate through commissioners, and would exercise the widest powers as to public purchase, land transfer, afforestation, etc. So far as the rural aspect of the problem was concerned it recommended that a minimum wage should be established for agricultural labourers : that the hours of their labour should be regulated : that sufficient cottages should be built to house them adequately, and that these cottages should be let at an economic rent : that allotments and small-holdings should be made accessible to those who desired them : that the small farmer should be given security against capricious eviction, and should have the right of having his rent revised under conditions similar to those provided in the Scottish Land Courts : that

the large farmer should similarly have a right of appeal to the commissioners if his rent was raised or he was faced with a loss owing to the payment of higher wages : and that there should be protection against the notorious depredations of game.

As regards the urban aspect of the case, Mr. Lloyd George's programme proposed that " a cheap, expeditious, effective, and reliable procedure " should be established for the public acquisition of land : that an extensive housing scheme should be carried out on this basis : that the Imperial Exchequer should take upon itself a larger share of local burdens : that the leaseholder should have the opportunity of renewing his lease on reasonable, and not extortionate terms, and that if he was called on to resign it, because either the municipality or the landlord required the property for such improvements as might commend itself to the commissioners, he should receive adequate compensation. As Mr. Lloyd George pointed out, the two sides of this programme were complementary. Healthy conditions in the town depended on healthy conditions in the country, and it was essential if the whole of industry was not to be dragged down below a civilized level that the agricultural labourer, who formed the bottom rung, should be raised. His proposals were naturally linked up with the undeveloped land duty, the taxation of the unearned increment and the reversion duty, and were grounded on the national valuation which he described as " the new Domesday Book."

Part of this programme has, indeed, been already effected. The principle of a minimum wage for the agricultural labourer has been established : an

ambitious housing programme exists—on paper ; and there has been much talk of settling ex-soldiers on the land. But the Coalition Government, under the leadership of Mr. Lloyd George himself, has destroyed the fundamental basis of the whole policy. It has pigeon-holed the State valuation which, at infinite pains and considerable cost, was practically completed, and, by its Acquisition of Land Act, has made the basis of purchase the price which a “willing seller” could secure in the open market. That is to say, it has handed over to the landlords the value created, partly by the abnormal circumstances of the war and partly by its own activities, and has thus removed the linch-pin from the whole policy of land purchase. More than that, it has wiped the taxation of land values off the Statute Book. In other words, it has demolished the structure which was built up by the Liberal Party, under Mr. Lloyd George’s inspiration, more than six years ago, and has rendered hopeless any attempt to deal with the land question on comprehensive lines.

The duty of the Liberal Party is therefore clear. Its cry should be “back to 1913,” and it should insist that the programme then advocated should be revived. That programme doubtless requires amendment in the light of experience. In the powers which it proposed to entrust to the bureaucracy it is particularly open to criticism. But in its essentials it stands as a practical and courageous attempt to grapple with the problem of the land.

It needs strengthening by additions. There is no mention in it of the laws of entail and primogeniture. And it must be accompanied by a demand for the

application of science to agriculture and the increase of the minimum wage to at least a decent subsistence level. Liberalism will find that in its policy of social reconstruction it is up against the land question at every turn. Housing, allotments, small-holdings, education are all dependent on the price of land. And Liberalism must fight, without quarter, for the application of the State valuation. It cannot afford that the land duties should be scrapped. It may be that, in pounds, shillings, and pence, they have not been as productive as was hoped, but their principle is just, their yield will increase as the years pass, and the Exchequer certainly cannot afford to sacrifice any possible source of contribution. Before the General Election of 1906, Sir Henry Campbell-Bannerman declared that the land must become "not the pleasure-ground of the rich but the treasure-house of the people." That is still the ideal which Liberalism must set before it if it is to "make England a fit home for her heroes."

XXIV

AN EDUCATIONAL PROGRAMME

“**T**HERE are few bores more wearisome,” says Mr. G. D. H. Cole, “than the bores who are always talking about education.” It is all too true, but, even at the risk of being tedious, I must endeavour to apply Liberal principles to the educational problem. As a writer remarked in the *Athenæum*, when Mr. Fisher’s Act was first introduced, “Education is the foundation of reconstruction. If we are to build a new world; if we are to raise the standard of political life, to bring into national and local politics a new idealism and new traditions of public service; if industry is to fulfil its true function; if questions of housing, health, drink, prostitution, and so forth are to be adequately dealt with, there must be an educational system as large as the problems which the new generation is setting out to attack.”

Such a system we manifestly have not got at present. Despite the reforms of the last thirty years, despite also the reforms promised in the Fisher Act, education in this country is still the Cinderella of the public services. When the war broke out it provided the most natural object of retrenchment. So little regard did the general public pay to the organization of intelligence that

when the proprietor of the *Daily Mirror*, raised to the status of Air Minister, suggested housing his staff in the British Museum, the proposal caused only a ripple of popular indignation. We may as well confess to the fact that, as a people, we are not interested in education. I have seldom known a political meeting stirred to enthusiasm on the subject, unless the religious controversy was introduced, nor am I aware that the Press has ever found it a "selling feature" for the shop window.

It is none the less essential that Liberalism should give the most earnest consideration to the educational question. By so doing, it is true, it may not succeed in vote-catching, but (what is infinitely more important) it will prove itself loyal to its best traditions and competent to discharge its present duties. It must face up to the fact that the educational system of this country is devised on the frankest lines of class. As Mr. Cole puts it, "Just when upper and middle class education is attaining its maximum value and affording the widest opportunities for self-expression and self-development, working-class education comes to a dead stop. Just as they are reaching the age when they begin really to develop qualities of initiative and responsibility, the children of the working-class—or the overwhelming majority of them—are chucked out of the schools and flung upon the labour market." Differ as I may from Mr. Cole on other points, I am entirely at one with him here, and I fail to understand how anyone who professes and calls himself a Liberal can defend a system so manifestly inequitable.

The ideal of education, in Milton's words, is the

breeding of a people "enflamed with the study of learning and the admiration of virtue; stirred up with high hopes of living to be brave men, and worthy patriots, dear to God and famous to all ages." The conception of the commonwealth forbids that we should restrict that ideal to one class in the community. We must get rid of the notion that the object of education is to provide raw material for the industrial machine. Its object is to produce good citizens: that and nothing else. And it can recognize no distinctions of wealth or interest.

Liberals will gladly recognize the value of the reforms secured by the Fisher Act, in the educational field. By raising the leaving age to 14; by proposing the abolition of half-time; by insisting on attendance at continuation classes up to the age of 18; by the establishment of voluntary nursery schools; by the recommendations as to playing fields, school clubs, holiday camps, etc.; and by the provision made for medical treatment in secondary and continuation schools, it marks a definite step in advance. And it is hardly open to question that, had Mr. Fisher had his way, he would have gone very much further along the road to reform. Unfortunately he was not a free man, but a member of a Government which had to placate a number of important interests, and he has himself as much as confessed that he is disappointed with the progress made. None the less, let us be thankful for what we have got already and use it as a lever for obtaining more.

The practical object of educational reform must be the levelling up of opportunities throughout the commonwealth. I have spoken before of offering a

“career open to the talents.” But this in itself is utterly inadequate. The middle-class or upper-class father does not ask whether his son is likely to prove a brilliant scholar before insisting that he shall have a “liberal education.” He does not take him away from school at 14 (unless he is obliged by the pressure of financial considerations) and “throw him into the labour market.” He keeps him at school until he has had the best opportunity of profiting by its lessons, and, if he shows himself a boy of marked promise, sends him on to the University. Such a course is forbidden to the vast majority of working-class parents. They cannot afford to keep their children at school after the normal leaving-age, and are compelled to withdraw them at the very moment when education is most likely to prove profitable. Unless it is assumed (as, unhappily, it appears to be in some quarters) that the manual workers are of a different breed from their more comfortably-placed fellows, what possible justification can be found for such a system?

Despite, therefore, the criticism which such proposals may arouse, I will venture to suggest that the Liberal Party should commit itself to the following educational programme:—(1) That the provision of nursery schools should be made compulsory and not optional on the part of the local authorities; (2) that the employment of scholars outside full-time school hours should be prohibited; (3) that compulsory, general, and full-time education should be insisted upon up to the age of 16, and that compulsory part-time education during not less than 12 hours a week should be provided between the ages of 16 and 18; (4) that while facilities

should be given for technical and professional training, these should not be commenced before the present leaving-age, and, after that, should not be allowed to outweigh the time given to arts and science ; (5) that free provision should be made for all young people who attain the necessary standard to take a voluntary University course, and that, where necessary, maintenance grants should be provided ; (6) that the system of University Tutorial Classes should be extended ; (7) that teachers should be remunerated on a scale more consistent with the importance of their work, that they should be given wider facilities for training, and that after seven years' service they should be given a year's course at a University, if they so desire ; (8) that education should be a national, and not a local charge, save as concerns the upkeep and repair of buildings.

I am aware that this is a bold, and in present circumstances, an unattainable programme, but I believe that it none the less embraces the ultimate educational objects for which all Liberals should strive. It is based, very largely, on the recommendations of the Workers' Educational Association, a body for which, after some years of intimate acquaintance, I have the greatest possible admiration, and so far as I can gather it would have the endorsement of the Labour Party. This is a case in which, most imperatively, the fullest possible co-operation between the progressive forces is desirable, and since the educational question involves no ultimate controversy as to the economic constitution of society, there is no apparent reason why Liberalism and Labour should not work together. It is impossible that we should get what we want all at once.

It will be necessary, for a time, to accept half a loaf — if we cannot obtain the whole. But if Liberalism will adopt some such programme as the ideal towards which it is working it will justify itself as adequate to the educational needs of the time.

“But,” it will be said, “industry could not stand such a revolution.” To this we can only reply that industry **MUST** stand it. Industry is made for man and not man for industry, and if either has to adapt to the other, it must not be the soul of man. Mr. Chesterton observed some years ago that whereas the proverb taught us that God tempered the wind to the shorn lamb, modern society had endeavoured to temper the shorn lamb to the wind. We have to reverse that process, so far as education is concerned, and make the provision of an instructed democracy the first essential of reconstruction. “Have you any guarantee,” some one else will ask, “that the workers’ children will take advantage of the opportunities which you propose?” No, I have no such guarantee, but I believe, with the Highmaster of Manchester Grammar School, that “it is always fallacious to argue from bales of cotton to human souls, and that in the history of education supply has always preceded, and evoked, and fostered the demand.” Education must concern itself not only with the brilliant boy, but with the ordinary, average citizen. “Social progress is not the progress of select individuals here and there; it is the progress of the whole body politic.” And what the middle-class or upper-class parent rightly regards as necessary for his child should not, and must not, be denied to the boy or girl from a humbler home.

“The workers themselves,” it will be argued, “do not want such a system, which would rob them of some of the earnings most necessary to the upkeep of the home.” In present circumstances that is unfortunately true, but the solution of the difficulty is to be found, not in throwing the child into the labour market while it is still educationally immature, but in securing that its father shall earn such a wage as shall make it unnecessary for him to rely on the extra earnings of adolescent labour.

“But ” (and this is the last and most formidable charge) “such proposals would ruin the State.” Would they ? For the time, we are bound to agree, the condition of the national finances forbids that we should secure the whole programme, but who will dare say that money devoted to education is not, from the public point of view, the most profitable form of investment ? Given a Liberal foreign policy abroad and an adequate measure of disarmament under the League of Nations, is it possible that this great and prosperous country should find itself incapable of raising the necessary millions ? Curtailment of luxury there may have to be, and a more simple and Spartan method of life for all sections of the community. But since the true wealth of the commonwealth rests in the bodies and souls of its citizens, it will increase, rather than diminish, that wealth by adopting a courageous, a comprehensive, and an adequate scheme of educational reform.

XXV

THE IMPERIAL PROBLEM

I. IRELAND

I HAVE left the Irish question until this late stage in the discussion because, properly regarded, it is less a domestic than an imperial and international problem. With it are bound up the future of Anglo-American friendship, the success of the League of Nations and the more intimate co-operation of the constituent members of the British commonwealth. While the voice of Ireland is stifled, while she is ruled by tanks and machine-guns, while her Press is muzzled and her citizens imprisoned without trial, we are branded as hypocrites in the face of all the world. We have proclaimed our championship of the cause of little peoples, yet to the little people at our very doors we deny the elementary rights of self-government. We have secured "self-determination" for Poles, Czechs, Rumanians, Croats and Slovenes, yet the destinies of Ireland we still dictate from Dublin Castle. Thanks to our failure, the Irish of the Dispersion, both in the United States and in the great Dominions, curse our very name and stir up disaffection between the English-speaking democracies. The Irish problem is a running sore which, if it is

not healed, will infect the whole future of our Empire. What has Liberalism to say about it ?

The policy of mere repression has been tried and failed and the advocates of "resolute government" must be more than usually complacent if they can view with satisfaction the results of their handiwork. Coercion breeds outrage ; outrage in its turn breeds further coercion, and still the evil cycle continues. Lord Robert Cecil, so much more of a Liberal than a Conservative in most other matters, declares that while Ireland is in her present state it would be impolitic to indulge in constitutional experiments. Yet, if this is not the appointed time, what is ? With the opponents of Home Rule it is "Jam yesterday, jam to-morrow, but never jam to-day." When Ireland is quiet they declare that she does not want self-government ; when, as to-day, she adopts the methods of violence, they say that she must not have it. The argument stultifies itself. Ireland is no more out of love with the British connection than was Canada in 1838 or South Africa in 1906. Yet in both these cases liberty proved a sure road to loyalty and freedom gained a victory both for England and the Empire.

The Government, by its introduction of what it calls a Home Rule Bill, seems aware of this fact. But, hampered by the exigencies of its political composition, it has not had the courage to grasp the nettle. Its measure goes too far to please the old guard of Unionism and not far enough to provide the basis of a pacific settlement. The present situation is indeed a gigantic Irish bull. Unfortunately it is a bull with horns. For, while "Ulster" is given a Parliament which she does not want, the

rest of Ireland repudiates a measure of self-government which falls far below its legitimate expectations. In its form as introduced the Government's Bill is a bad Bill. At the time of writing there seems little likelihood of material improvement. And in that event it may safely be asserted that the fourth "Home Rule" Bill will leave matters worse than they were before.

The future being uncertain and the fate of the Government's measure still undetermined, criticism of the Bill may seem a waste of words. Instead, therefore, let me confine myself to a statement of the possible solutions as they must present themselves to sincere Liberals and leave the event to decide how far the actual "settlement" will square with Liberal principles. And first let me frankly confess that the present situation argues a failure in the Liberal statemanship of the past. When the third Home Rule Bill was introduced no material recognition was given of the vital differences which separate the Unionist community of the North-East of Ireland from the Nationalists of the South and West. Safeguards, it is true, were offered, but the self-consciousness of North-East Ulster was dismissed as a sentimental illusion.

Owing to this false start, the Government was dogged by a natural nemesis. It hesitated to suppress the potential rebellion of the Ulster Covenanters, thereby encouraging every section in the community that sought to resist the will of the State, and it found itself compelled to offer compromise after compromise with a view to preventing civil war. It declared that it would never compel Ulster by force to submit herself to the rule of a Dublin Parliament,

yet it simultaneously protested that it would never bow to what Mr. Churchill described as the "bully's veto." When the war broke out, the Home Rule Bill was on the Statute Book, but the promised measure to safeguard the interests of Ulster had still to be introduced.

I have recalled this record, lest the same mistake should be repeated. Home Rule is indeed in the marrow of Liberal thought. For Home Rule the Liberal Party went out into the wilderness for a generation. But just in so far as Liberal principles compel the recognition of Nationalist Ireland's right to self-government, to that degree do they lead us to admit the right of Unionist Ulster to maintain her identity if she so desires. Any truly Liberal settlement of the Irish problem must therefore insist on three conditions—first, that the principle of Home Rule shall be applied with the widest possible interpretation ; second, that the ultimate unity of Ireland shall be fully and effectively recognized in any scheme which is brought forward ; and, third, that until Ulster is willing, of her own choice, to fall in with the rest of the country, special provision shall be made for her peculiar position.

It was these considerations which led me, when these chapters first appeared in serial form, to support (with reservations) the Irish scheme advocated in *The Times*. And had the measure produced by the Government squared with the conditions I have laid down, I believe that Liberals would have been called on to back it up. Had the Government offered "a Parliament plus two councils instead of a Council plus two Parliaments" (the phrase is that of the *Daily News*) it might have succeeded in

securing at least a hearing in Ireland itself. But by refusing such a proposal, even when moved from the Unionist benches, it has pledged itself to perpetuate partition.

There are, as I see it, four alternatives open to a Liberal who approaches the Irish problem from the point of view of his traditional principles. He may frankly accept the claim of the majority of the Irish people to absolute independence, at the same time insisting that such portions of Ulster as may wish to remain within the Empire shall be allowed to do so. He may take the Government's Bill as his basis and endeavour to improve it, not only by transforming the "All-Ireland Council" from a simulacrum into a reality but also by demanding the radical revision of its financial clauses. He may take his stand on "Dominion Home Rule," with the necessary reservations as to defence and foreign policy, and seek to give Ulster the right of county option. Or he may suggest the submission of the whole question to the League of Nations and ask the League to work out a solution.

For each of these courses there is something to be said. One thing, however, is clear. The Government's measure in its original form is repugnant, in vital particulars, to Liberal principles and should it be pressed, by the influence of the Coalition Whips, without effective amendment, no "Liberal" who votes for the third reading will be worthy of his name. It is probable that the Dominion solution is the most practical, for it is unlikely that any party would be able to persuade the British electorate to accept either an Irish Republic or the submission of a question so intimately affecting its own sovereignty to the League. This is the solution which Mr. Asquith

has advocated, and there is good reason to believe that it would serve to pacify Ireland. This, at all events, is certain, that the present situation cannot continue without danger of an explosion which will shake the very foundations of the Empire and that the principles which have achieved such happy results in Canada and South Africa offer the best hope of an escape.

XXVI

THE IMPERIAL PROBLEM

II. THE DOMINIONS

IT is customary to speak of Canada, Australia, South Africa, and New Zealand as "the self-governing Dominions," and, up to a point, the phrase is accurate enough. These younger nations, offshoots from the old British stock, are indeed "self-governing" in the more immediate business of domestic legislation and administration, and thanks to the far-sighted application of Liberal principles in the Imperial sphere, they have been preserved as constituent members of the British commonwealth.

Responsible government in the British colonies dates from Lord Durham's famous mission to Canada in 1838, and his equally famous Report of the following year. The Dominion of Canada was actually constituted in 1867, and to the nucleus of three provinces then embraced were subsequently added the other parts of British North America, with the exception of Newfoundland. Responsible government was later given to the Australian colonies, which were federated in one Commonwealth in 1900. New Zealand, which was the product of an earlier federation of distinct settlements, took the title of Dominion in 1907, and the Union of South Africa, rendered possible

by Sir Henry Campbell-Bannerman's statesmanlike concession of free institutions to the conquered Dutch Republics, was established in 1909. Newfoundland, which also enjoys "self-government" in the popular sense of the word, still remains, in phraseology, a "colony."

As has been pointed out in an earlier chapter, it was, until comparatively recent times, the habit of both political parties to regard the colonies as fruit which, when fully ripe, would "drop from the tree." Imperialism, both of the nobler and the baser sort, is a plant of later growth, and sixty or seventy years ago the British people would have shown little surprise and almost less alarm had any one of the overseas nations "cut the painter" and dissolved its partnership with the Mother Country. Happily, however, we have learned, during the last half-century, to recognize the immense potentialities for good which rest in the agglomeration of peoples which we call the British Commonwealth, and the limited liberty of "self-determination" which has been given has prevented a repetition of the misfortune occasioned by Lord North's blundering paternalism in the eighteenth century. The Dominions have been kept for the Empire, not by the iron hand, but by the silken bonds of sentiment and sympathy. Enjoying the widest powers of self-government in domestic affairs, they have not chafed under their common allegiance, and have been able to develop their national life and institutions as has seemed to them best.

It would be superfluous to emphasize the impressive witness to the strength of the Imperial tie which has been given during the past five years. Mr. Joseph

Chamberlain, when launching the Tariff Reform campaign, roundly declared that the Empire was breaking up, and it can hardly be doubted that the German militarists, in precipitating the conflict in 1914, counted on either the indifference or the definite disloyalty of some of the great Dominions.

How utterly foolish were these anticipations our experience during the war has proved. Every one of the great Dominions has rallied to the Motherland with spontaneous and magnificent loyalty and made lavish contributions to the common cause in men, material, and money. Many of the most splendid incidents in the fighting are imperishably associated with the contingents from overseas, and the name of Anzac will send a thrill through British blood while the Commonwealth itself endures. The Government of South Africa, despite the fact that its Prime Minister and Minister of Defence had been in arms against this country only fourteen years before, suppressed a rebellion fomented by German intrigues, drove the Germans out of their neighbouring colonies, and sent a large and valuable contingent of fighting men overseas. If the Kaiser, indeed, calculated on the break-up of the British Empire, he reckoned without his host.

We have every right to take pride in this great record and to regard it as testimony to the enduring efficacy of liberal institutions. But let us make no mistake. The "self-government" of the Dominions is bounded by very definite limits. As was stated in that exceedingly valuable volume, *The Problem of the Commonwealth*, "They may manage their own domestic affairs, regulate their commerce, create forces by land and sea, and do anything they please,

short of attempting to handle for themselves the ultimate issues of national life and death. Those issues, the moment they are raised, must be left to a Government in which they have no more voice than the peoples of India, of Egypt, or of Fiji. So far as the first, last, and greatest of all national interests are concerned they are not self-governing Dominions. They are simply dependencies." This is, indeed, the actual fact. In the shaping of foreign policy, and the declaration of war and peace, the Dominions, constitutionally, are subject to the rule of the British Parliament. Technically, indeed, they are not committed to war by the action of the Cabinet at Westminster, but, for all practical purposes, they are bound by its decisions. It is only necessary to ask what would have happened had Canada, Australia, New Zealand or South Africa decided to remain neutral in the great struggle to realize what a fiction their "self-determination" is in this respect.

"The idea that the King could declare war on the advice of his British Ministers" (I quote again) "and simultaneously declare peace on the advice of Australian or Canadian Ministers was confined to men whose legal notions had obscured their common sense and blinded them to political facts. No King could accept such a false position, for the obvious reason that no British Ministry would allow him to do so. For no enemy would accept the position unless it suited him to do so, and no British Ministry would accept what suited the enemy."

We have to face the fact, therefore, that despite the post-prandial eloquence of British statesmen, the Dominions are not self-governing in the ultimate and more fundamental sense. Their representatives

have, indeed, been called into consultation, and the Imperial Conference, first summoned in the year of Queen Victoria's Jubilee, has acquired an ever-increasing degree of influence and importance. Ministers from overseas, during the war, sat in the Imperial War Cabinet, and subsequently played their part in the deliberations of the Peace Conference.

But these appearances should not blind us to reality. It remains true that, although the Dominions, through their representatives, have been admitted to a growing co-operation in foreign affairs, they remain, constitutionally, subordinates and not partners. This condition of affairs is utterly inconsistent with Liberal principles, and it is becoming more and more repugnant to our kinsmen overseas. Mere consultations, however whole-hearted, will not provide an adequate solution of the problem. The occasional presence of Dominion Ministers in the British Cabinet, the more frequent sitting of the Imperial Conference, even the presence of Imperial representatives in the British Parliament, will not go to its roots. A more fundamental change than these is required if the appearance of ultimate self-government is to be translated into its practical substance.

As I see it, the only proposal which is adequate to the need lies in the creation of a truly Imperial Parliament, in which the Dominions as well as Great Britain will be proportionately represented, and which will control all matters of international relations and defence. This Parliament must have its own Executive, consisting of the Foreign Secretary, the First Lord of the Admiralty, the Secretary for War, the Secretary for India, the Colonial Secretary, and an Imperial Minister of Finance. As the

writer from whom I have already quoted puts it, "There must be a British Executive responsible to the Parliament and people of the United Kingdom for their own domestic affairs, and there must also be an Imperial Executive responsible to the Parliament and people of all the Dominions, including the British Isles." This proposal, I am aware, is bold and even revolutionary. But heroic measures are demanded if the problem is to be solved. The financial question is not the least important. It would obviously be improper for the Imperial Executive to dictate to the various Dominions the means by which they are to raise the necessary revenue, and fiscal policy must be strictly reserved to the authority of the domestic legislatures. But the Imperial Parliament should decide what sums may be necessary to meet the cost of defence, and should leave each Dominion to raise the quota expected of it in whatever way it sees fit. The precise division of the burden would be a difficult and delicate task, but it should not be beyond the capacity of a body of assessors, appointed by the constituent members of the Commonwealth.

Along such lines, as I see it, Liberal Imperial policy must advance. Liberalism has stood for the principle of self-government in the past, and it must have both the courage and the foresight to press that principle to its logical conclusion. A warning, however, is needed. Such a revolution can be accomplished only by the willing consent of all the parties concerned. If either the British Parliament attempted to impose such a system on the Dominions, or the Dominions endeavoured to impose it upon this country, the experiment could end only in disaster.

It is probable that the policy advocated in this chapter cannot be realized for many years. Certainly both extensive and intensive propaganda will be required if it is to be carried through. But if the Liberal Party will commit itself to full Imperial self-government as its ultimate ideal it will, I believe, go forward in the line of its historic tradition and earn the deep gratitude of succeeding generations.

XXVII

THE IMPERIAL PROBLEM

III. THE PRINCIPLE OF TRUSTEESHIP

LIBERALISM, like most political movements, has had its bouts of imperialist fever, but in the main it has resisted the lure of the jingo and the expansionist. If anything, its weakness has lain in the opposite direction, and, rightly distrusting the cry of the imperialist cheapjack, it has been inclined, upon occasion, to look askance on the Empire itself. In its most enduring thought, however, the idea of Empire—or shall I rather say, the idea of the Commonwealth—lies implicit, and its view of moral obligation compels it to take up the burdens which have been laid upon it by the inexorable laws of history. The Liberal conception of Empire may best be summed up in the phrase “the principle of trusteeship.”

There are some to whom the whole idea of Empire is anathema, who regard all talk of “the white man’s burden” as nauseous hypocrisy, and believe that if the more backward races of mankind were left to look after themselves, it would be better both for them and for the rest of the world. With such folk it is impossible to argue. Contact between the more civilized and the less progressive races is

inevitable, and once contact has been established some form of safeguard will have to be introduced.

It has been said that "trade follows the flag," but it is much more true, in a deeper sense, that the flag follows trade. Unless commercial intercourse between Europe and the outside world is to be forbidden, the impact of one civilization upon another is bound to occur. And, once it has occurred, the responsibility of Europe cannot be evaded. The history of our relations with India provides a classic example. Anyone who cares to study the matter will find how intensely reluctant were both our Parliament and our people to undertake the task of governing India. The picture of a rapacious Britain, greedily stretching out after fresh lands to conquer, is at ludicrous variance with the facts. What happened was that our traders went to India and thus established contact. Soon it was found that the contact must lead to one form of interference or other, for the home Government could not allow its citizens to be murdered or maltreated without protest. At first the attempt was made to confine the activities of government to protection, but it soon became apparent that the position was impossible, and ultimately the Crown took over the functions which had previously been exercised by the East Indian Company. This process has been repeated all over the world, and the expansion of Europe, as Seeley termed it, has been dictated, not so much by the ambitions of Governments or the imperialism of peoples as by the plain and inevitable logic of history.

It must, then, be recognized that contact between the more advanced and the less advanced races of mankind cannot be forbidden, and that once that

contact has been set up, the more advanced must take steps to establish the reign of law. Unregulated intercourse can lead only to the demoralization of both alike. What attitude, therefore, must Liberalism adopt in face of this necessity ? Will it apply the theory of self-government without qualification and concede full and free representative institutions to every people throughout the Empire ? Will it seek to rule only by the sword ? Or will it, recognizing with Mill that the measure of self-government must depend upon "the stage of development," make its ideal a free and equal Commonwealth of Nations, and in the meantime frame its programme with a view to the progressive realization of that ideal ?

As I see it, this last attitude alone is possible. As Mr. Philip Kerr has said, "The first, indeed the fundamental, principle to realize is that the question is not a national but a human question, and that the true solution must be one which benefits humanity and not any single State or people."

The British Empire is already responsible for the welfare of more than 350,000,000 folk who are included among "the backward races," and under the provisions of the Peace Treaties its vast responsibilities will be still further increased. In what spirit must it undertake these duties ? Let me quote a very pertinent clause from the League of Nations Covenant. "To those colonies and territories," it runs, "which, as a consequence of the late war, have ceased to be under the sovereignty of the States which formerly governed them, and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and develop-

ment of such peoples form a sacred trust of civilization, and that securities for the performance of this trust should be embodied in the constitution of the League. The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to the advanced nations who, by reason of their resources, their experience, or their geographical position, can best undertake this responsibility, and that this tutelage should be exercised by them as mandatories on behalf of the League."

This statement of the case is admirable so far as it goes, and if it is faithfully interpreted in practice, the world will be a happier place. But it applies only to peoples who have passed from German or Turkish sovereignty as a result of the war. It must be the task of Liberalism to see that it is applied all round, and that the principle of trusteeship is accepted as the guiding principle of Empire. "Differing in kind and in population," says Sir Charles Lucas, "the provinces of the British Empire differ conspicuously in their constitution and political status. The great main division is between the self-governing Dominions and the Crown Colonies. Between them stand certain colonies which have representative institutions, but not responsible government; while India, though in effect approximating to a Crown Colony on a great scale, is in a class by itself." In the last chapter the problem of the "self-governing Dominions" was discussed. What is to be said of India, Egypt, the Crown Colonies, and the intermediate possessions of the Empire?

In the case of India, we may readily concede that the Act placed upon the Statute Book at the end of last year is in the true line of Liberal states-

manship. The Prime Minister has asserted that it could have been carried only by a Coalition Government, though the extension of self-government to South Africa by Sir Henry Campbell-Bannerman's administration goes far to invalidate his argument. But, be that as it may, we may gratefully recognize the real merits of the new India Act. The principle of "diarchy," upon which it is based, is clumsy, but there appears to be no practicable alternative. Its principal weaknesses lie in the constitution and powers conferred upon the National Assembly, and the weakness of its labour provisions. Taken, however, as a whole, it is a great Act, and offers opportunity of further and systematic development. There is an influential and powerful school of thought, both in this country and in India, which demands full "Home Rule." But is India ready for "Home Rule" ? Would self-government, even with the limitations which have been imposed in the case of the Dominions, be in her own best interest ? "Home Rule" must indeed be the ultimate aim of all our statesmanship, but unless and until India is ready to discharge her responsibilities, such a gift would be the gravest possible disservice to her. Split by racial and religious division, riven with caste distinction, India would dissolve into her component parts if she were now left to rule herself. The duty of this country, the duty of Liberalism, is to see that she is helped through these growing-pains as easily as possible, and that more and more her people should be admitted to a share in government. The Act now on the Statute Book is in line with this principle. It will have to be developed progressively as time goes on, and it is for the Liberal Party to see

that the reforms now initiated shall ultimately be pressed to their conclusion, and the peoples of India trained to take the status of a full self-governing Dominion.

The same principle must be applied in the case of Egypt, where the stiff, unyielding rule of a military dictatorship has almost snapped the British connection. It must be applied, in a greater or less degree, throughout the possessions of the British Crown. Once the idea of trusteeship is accepted, policy falls into its naturally Liberal line. There are some races so backward that to experiment in self-government would be fraught with disaster. There are others who have so far advanced that they are nearly out of leading-strings. "The only real justification for alien rule" (I quote again from Mr. Philip Kerr) "is that it should lead to the elevation of the backward people in the scale of civilization more rapidly and at less cost of needless suffering than any other way. And that elevation is illusory unless it implies among them the capacity to maintain a civilized society for themselves. The purpose of the training and education of the young is to fit them to conduct themselves as responsible members of society when of age. The purpose of the tutelage of the backward by the advanced races is exactly the same, and it will prove itself a failure unless it eventually leads to that goal."

This is one conception of Empire. But there is another. It is a conception which regards the backward races as so much material for exploitation, and thinks in terms of markets instead of terms of human beings. It does not ask, "What can I give these people?" but, "What can I get out of them?"

Its mind is occupied with concessions and preferences and pulls, and it ceaselessly endeavours to put a ring fence round its possessions. It is seen, in one aspect, in the extension of Imperial Preference to "mandated" territories; in another, in the attempt to make a "corner" for British producers in the palm-kernel trade; in another, again, in the desire to maintain great armies of coloured soldiers in the nominal interest of "defence." This conception of Empire must be fought to the knife by all that is truly Liberal in our country. If it is allowed to dominate our Imperial policy, then the British Commonwealth is doomed. Only one way of advance lies open to Liberal minds—the way of democracy, along which the more backward races can be guided, and which finds its ultimate goal in the full right of self-government within the Empire.

XXVIII

CONCLUSION

MY task is now accomplished, and all that remains for me is to summarize the results which have been arrived at, and to thank those readers who have followed me through what has been an exhausting, if not an exhaustive, investigation. In my first article I said that my purpose was to re-discover the essential principles of the Liberal faith and to re-state those principles in the terms of modern needs. With what success that purpose has been accomplished it is not for me to say. If I have succeeded in provoking thought on these vital problems of politics and economics, the modest object which I have set before myself will have been secured, and this small book will not have been written in vain.

Let me, then, proceed to sum up. First, we traced the growth of Liberal theory from its first embryonic state in the seventeenth century down to its maturer development in the philosophy of T. H. Green. We saw that, though it changed its method of approach from age to age, its ultimate object remained the same. That object we defined as "the effective realization of individual liberty within the commonwealth." We found that the monopoly which it was the mission of Liberalism to attack was first political, and then social and industrial.

We saw the concept of individual freedom take shape, now in the theory of contract, next in the appeal to "natural rights," again in the pursuit of "the greatest good of the greatest number," and more recently in "the removal of encumbrances" by State action. We discovered that, in its earlier stages, Liberal thought was prone to stress the individual at the expense of the commonwealth, but that as time passed and the abuses of unrestricted individualism became apparent, it recognized, with increasing emphasis, that personal freedom was conditioned by the well-being of the whole community.

Having completed our study of historic Liberal theory, we next proceeded to apply it to the problems which face us to-day. In the international sphere, we recognized that the question of world reconstruction presented the master problem and found that the League of Nations, offering as it did the means of peaceful settlement and an opportunity for the redress of racial grievances, represented the reconciliation of two apparently opposing tendencies of Liberal thought. At the same time we saw that the machinery of the League was still imperfect, and that drastic amendments would have to be made in the Covenant before it could be regarded as an efficient instrument of democratic statesmanship. We found that to secure a lasting pacification and to restore the cycle of production and exchange the Peace Treaties must be radically revised. Lastly, we concluded that the "democratization of foreign policy" depended ultimately on the interest taken by the democracies themselves in foreign affairs, but that reforms such

as the establishment of a Foreign Affairs Committee for the House of Commons, the submission of all treaties, agreements, and understandings to Parliament, and the widening of the diplomatic service were imperatively called for.

In the political sphere we observed that while, thanks to the inspiration of the Liberal Party, representative government had been substantially achieved, democracy had yet to be fully emancipated, and Parliamentary government had lost much of its prestige. We saw that, while it was possible for a candidate to be returned to the House of Commons by a minority of the electors; while the Imperial Parliament was overloaded with a mass of local detail; while political divisions were confused by the expedient of a Coalition; while departmentalism was permitted to supplant Cabinet government; and while wealthy men, under the system of secret party funds, were able to purchase a determining voice in policy—this country would never become, in the Prime Minister's phrase, "a really real democracy."

We therefore concluded that it was the duty of Liberals to insist, first, on the adoption of proportional representation; secondly, on the introduction of "Home Rule All Round"; thirdly, on the restoration of normal parties and the re-establishment of effective Cabinet government; and, lastly, on the publication of the subscription lists of the party funds and the submission of the names of all candidates for honours to a committee of the Privy Council.

Turning from the political sphere to that of personal and economic liberty, we saw that the

application of Liberal principles demanded the removal of the restrictions imposed under cover of war-time necessity, the abolition of conscription, and the restoration of Free Trade in complete integrity. Passing from this latter point, by a natural transition, to a consideration of the national finances, we found that while expenditure was ultimately dependent upon policy, sound finance demanded the drastic reduction of the dead-weight of national debt and the balancing of spending by receipts. While, therefore, it was urged that adequate economies could be effected only in the field of armaments and foreign policy, it was suggested that fresh taxation would have to be imposed, based strictly on the ability to pay, and that a levy on capital provided the sole sufficient means of paying off the National Debt.

After a survey of the industrial outlook, we observed that the demand of the workers was no longer one merely for higher wages or reduced hours, but for a real change in status. Representative government, we remarked, would remain incomplete so long as it was restricted to the political sphere, and a sincere acceptance of Liberal principles involved the application of democracy to industry. Collectivism and Guild Socialism were in turn examined, and it was found that while the former threatened a bureaucratic tyranny now disowned by the more advanced spirits in the Labour movement, the latter broke down principally because it removed the normal incentive to individual enterprise. We found, therefore, that, though Liberalism and Labour could co-operate with advantage in most of the tasks of immediate politics, their ultimate objects remained

distinct, and that either Collectivism or Guild Socialism would destroy that individual freedom which it had been the historic mission of Liberalism to vindicate. As an alternative to the elimination of private capital from industrial enterprise, it was suggested that a true partnership could be secured, first, by some system of profit-sharing, and, secondly, by the development of the system of industrial councils so as to include elected representatives of the workers in the sphere of management. Precautions, it was seen, would have to be taken, lest the growing tendency towards combination should threaten the interests of the consuming public, but this danger, it was argued, would be no more serious under a system of "self-government in industry" than it is under present conditions.

Still working out the application of Liberal principles to the social sphere, we saw that an adequate minimum wage would have to be secured for all workers, that unemployment insurance would have to be extended throughout industry, and that the educational system of the country would have to be recast so that every child should enjoy the opportunities of culture and training which are now confined to the middle and upper classes. We found that the land question was fundamental to all social reconstruction, and that in the programme advocated by Mr. Lloyd George in the years immediately preceding the war a practical scheme lay ready to hand, which might be re-inscribed on the Liberal programme. As regards the question of nationalization, it was suggested that such national services as were monopolistic in character and would fall in the category of "routine industries" should be taken

over by the State, but that, in that sphere of industry where individual selection and taste played the principal part in demand, private enterprise would best be left to supply the needs of the community. The scheme proposed in Mr. Justice Sankey's report on the mining industry was put forward as a model for the management of these nationalized concerns, and it was argued that such a scheme, by enlisting the co-operation of all the interested parties, would at one and the same time obviate the dangers of bureaucracy and avert industrial strife.

Last of all, in considering the Imperial aspect of Liberalism, we observed that, while the Dominions had secured self-government in domestic affairs, they were still ruled by the Parliament at Westminster in the most vital matters of foreign policy and defence. It was therefore urged that, in order to fulfil the demands of Liberal principle, an Imperial Parliament, with an Imperial Executive, should be created, and that with these bodies should rest the determination of the great matters affecting the whole of the British Commonwealth. Further, it was suggested that Ireland represented another aspect of the Imperial problem, and that a settlement must be secured which would give the fullest self-government to her people, while affording security to the inhabitants of the Unionist part of Ulster. Finally, it was urged that, in regard to those parts of the British Commonwealth, such as India, Egypt, the Crown Colonies, and the territories likely to be committed to us as mandatories under the League of Nations, the principle of trusteeship alone would be consistent with Liberal principles, and alone would justify our assumption of Imperial responsibilities.

Such, in brief outline, is the policy which has been suggested in the foregoing chapters, as following naturally from our study of Liberal thought. It is doubtless inadequate, and will probably provoke criticism. But it is, I believe, in line with the teaching of the great fathers of our faith, and, if carried out, would achieve that object of "individual liberty within the commonwealth" which must be the enduring goal of Liberal effort. Parties exist usefully only in so far as they embody certain principles. Robbed of that reason for their being, they become shells, husks, bereft of meaning and of virtue. But if Liberalism to-day will drink deep from the wells of its historic inspiration, if it will get back to fundamentals and apply its principles without fear or favour, we need have no fear for its future. Liberalism, as I believe, is neither extinct nor moribund. It still has rich possibilities of usefulness and high hopes of service. If it be but true to itself it will yet resume its place in the great task of government, and justify the faith of those who, through triumph and disaster, have been loyal to its high traditions.

Keep ye the law—be swift in all obedience—

Clear the land of evil, drive the road and bridge the ford.

Make ye sure to each his own,

That he reap where he hath sown ;

By the peace among our peoples, let men know we serve
the Lord !

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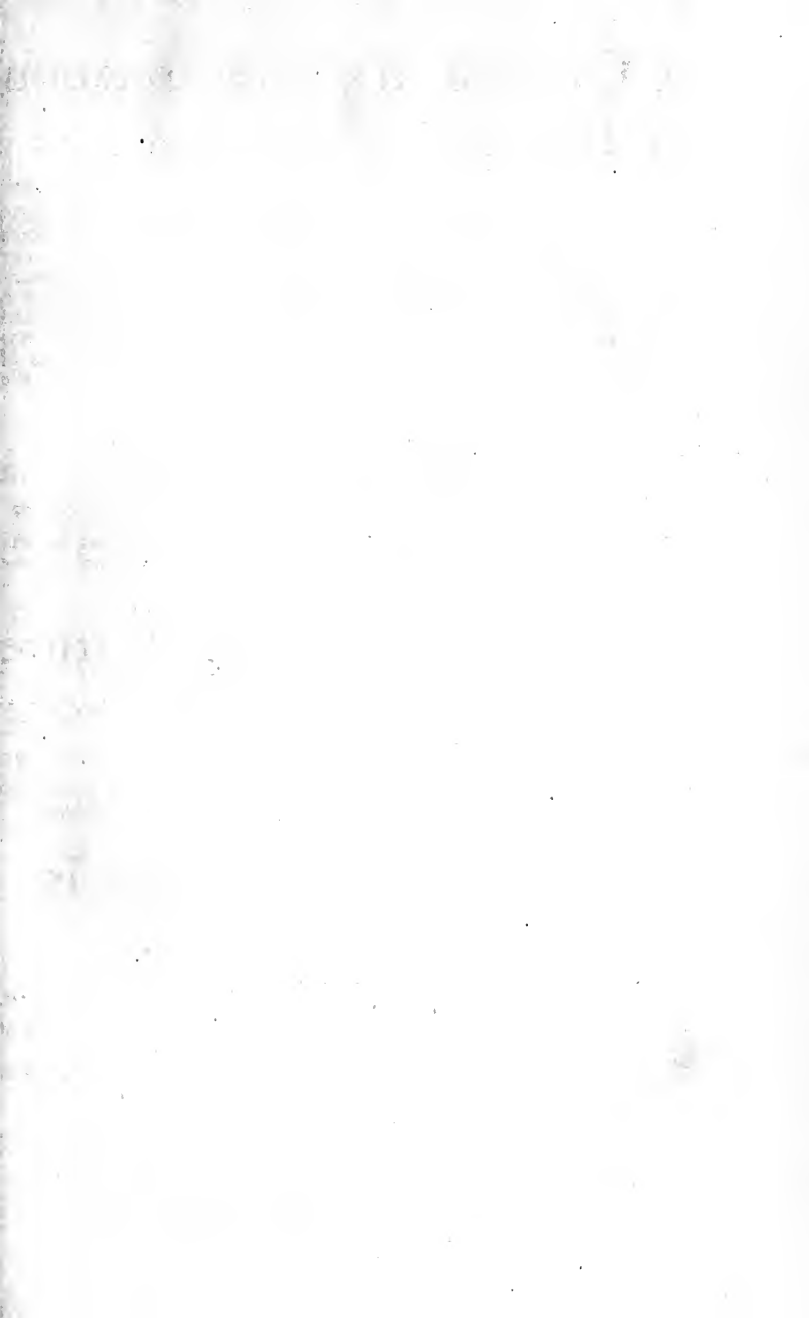
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